

PRESS RELEASE

# Second Canadian resident pleads guilty to massive COVID-19 benefit fraud scheme

Friday, September 13, 2024

## For Immediate Release

U.S. Attorney's Office, Western District of Washington

## Used stolen identity information of thousands of U.S. residents to steal unemployment benefits, tax refunds, and small business loans

Tacoma – The second of two Nigerian men residing in Canada pleaded guilty Thursday September 12, 2024, in U.S. District Court in Tacoma to wire fraud and aggravated identity theft for his fraud scheme that stole more than \$1.3 million in federal funds, announced U.S. Attorney Tessa M. Gorman. Fatiu Ismaila Lawal, 45, was extradited from Canada in mid-July. U.S. District Judge Robert J. Bryan scheduled his sentencing for December 12, 2024.

According to records filed in the case, Lawal, and codefendant Sakiru Olanrewaju Ambali, 45, used the stolen identities of thousands of workers to submit over 1,700 claims for pandemic unemployment benefits to over 25 different states, including Washington State. In total, the claims sought approximately \$25 million, but the conspirators obtained approximately \$2.7 million, primarily from pandemic unemployment benefits. As part of his plea agreement, Lawal agreed to make restitution of \$1,345,4720.

Lawal admits in his plea agreement that he personally submitted at least 790 unemployment claims using the stolen identities of 790 workers. The co-conspirators allegedly submitted claims for pandemic unemployment benefits to New York, Maryland, Michigan, Nevada, California, Washington and some 19 other states. Lawal

also established four internet domain names that were subsequently used for fraud – creating some 800 different email addresses that were used in this scheme.

Additionally, between 2018 and November 2022, Lawal used stolen personal information to submit 3,000 income tax returns for \$7.5 million in refunds. The IRS detected the fraud and paid just \$30,000.

Lawal and Ambali also attempted to use the stolen American identities for Economic Injury Disaster Loans (EIDL) to defraud the Small Business Administration (SBA). The pair submitted some 38 applications, but SBA caught most of the fraud and paid only \$2,500.

Lawal and Ambali had the proceeds of their fraud sent to cash cards or to “money mules” who transferred the funds according to instructions given by the co-conspirators. They also allegedly used stolen identities to open bank accounts and have the money deposited directly into those accounts for their use.

Lawal and Ambali also used a Telegram channel to teach others how to commit similar frauds and how to misuse personally identifying information. They instructed others how to purchase such information on the dark web and how to use it to fraudulently apply for benefits from various COVID-19 programs.

Prosecutors have agreed to recommend a total of no more than 65 months in prison for Lawal. Judge Bryan is not bound by the recommendation and can impose any sentence allowed by law.

Co-defendant Ambali was [sentenced to 42 months in prison in March 2024](#).

The National Unemployment Fraud Task Force provided a lead on this case to the investigative team in Western Washington. The case was investigated by the FBI with assistance from U.S. Postal Inspection Service (USPIS) and the Department of Labor Office of Inspector General (DOL-OIG). Also contributing to the investigation were Internal Revenue Service Criminal Investigation (IRS-CI), Washington State Employment Security Division (ESD), and the Small Business Administration (SBA).

The case is being prosecuted by Assistant United States Attorney Cindy Chang of the Western District of Washington. DOJ’s Office of International Affairs assisted with extradition on this matter.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with

agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud related to COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

## Contact

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*Updated September 13, 2024*

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