

Department of Justice
U.S. Attorney's Office
Eastern District of Michigan

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State Contractor Charged in \$2 million Unemployment Fraud Scheme

A Detroit woman was charged in a criminal complaint for her alleged role in a multi-million dollar unemployment insurance fraud scheme aimed at defrauding the State of Michigan and the U.S. Government of funds earmarked for unemployment assistance during the COVID-19 pandemic, announced United States Attorney Matthew Schneider.

Joining in the announcement were Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General, Special Agent in Charge Douglas J. Zloto, US Secret Service, Richard Sheehan, Acting Postal Inspector in Charge of the Detroit Division, Special Agent in Charge Steven M. D'Antuono, Federal Bureau of Investigation, Special Agent in Charge Sarah Kull, Internal Revenue Service-Criminal Investigation and Jeffrey Frost, Special Fraud Advisor, Michigan Dept. of Labor and Economic Opportunity, Unemployment Insurance Agency.

Charged is Brandi Hawkins, 39.

According to the complaint, Brandi Hawkins was a contract employee for the State of Michigan Unemployment Insurance Agency. Her duties included reviewing, processing and verifying the legitimacy of unemployment insurance claims.

Beginning in April, 2020, it is alleged that Hawkins used her insider access to fraudulently release payment on hundreds of fraudulent claims. Hawkins actions resulted in the fraudulent disbursement of over \$2,000,000 of federal and state funds intended for unemployment assistance during the pandemic. Over \$200,000 in cash was seized from her residence during a search warrant. Hawkins is alleged to have used proceeds from her crimes to purchase high-end handbags and other luxury goods.

"Brandi Hawkins is charged with exploiting the current pandemic to defraud the State of Michigan and United States for her own personal gain. These are serious allegations, and my office is committed to prosecuting any person who attempts to use the Covid-19 crisis to defraud the people of Michigan," stated US Attorney Matthew Schneider.

“The U.S. Secret Service is currently focused on criminals attempting to exploit the American people during these unprecedented times of record unemployment due to the pandemic. It is especially egregious when someone in a position of trust, working for an agency created to assist the residents of the State of Michigan, takes advantage of those during their time of need. We will continue to work with our federal and state partners to bring these perpetrators to justice”, said Douglas Zloto, Special Agent in Charge, U.S. Secret Service - Detroit Field Office.

“An important mission of the Office of Inspector General is to investigate allegations of fraud related to unemployment insurance benefit programs. We will continue to work with our law enforcement partners to protect the integrity of unemployment insurance benefit programs,” stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

“Brandi Hawkins’ alleged actions are incredibly selfish and without regard for her fellow Michiganders in dire need of financial assistance,” said Sarah Kull, IRS Criminal Investigation Special Agent in Charge, Detroit Field Office. “IRS-CI will not hesitate to thoroughly investigate any COVID19 related fraud and bring those offenders to justice.”

Richard Sheehan, Acting Postal Inspector in Charge of the Detroit Division said, “This investigation was an excellent example of a partnership between federal law enforcement agencies, working together to bring down this fraud conspiracy. I fully commend the hard work and countless hours put forth by all of the agencies involved, which resulted in bringing Brandi Hawkins to justice.”

“We appreciate U.S. Attorney Schneider’s quick action to bring this case to justice. The Unemployment Insurance Agency will continue to work closely with state and federal partners to identify unemployment fraud that can be quickly turned over to law enforcement for prosecution,” stated Jeffrey Frost, Special Fraud Advisor, Michigan Dept. of Labor and Economic Opportunity, Unemployment Insurance Agency.

A complaint is only a charge and is not evidence of guilt. Trial cannot be held on felony charges in a complaint. When the investigation is completed a determination will be made whether to seek a felony indictment.

The case is being prosecuted by Assistant United States Attorney Timothy Wyse. The investigation is being conducted jointly by the Department of Labor, Office of Inspector General, United States Secret Service, Internal Revenue Service - Criminal Investigation, Federal Bureau of Investigation, the U.S. Postal Inspection Service and the Unemployment Insurance Agency, Michigan Department of Labor and Economic Opportunity