



CHAMPIONING BETTER GOVERNMENT PERFORMANCE

OSIG NEWS

Office of the State Inspector General • P.O. Box 1151 • Richmond, VA 23218

News Release Contact:

Kate Hourin – 804-625-3276

Email: kate.hourin@osig.virginia.gov

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OSIG INVESTIGATIONS LEAD TO CONVICTION OF INMATE AND OTHERS IN VEC FALSE CLAIMS

An Office of the State Inspector General investigation revealed that an inmate at River North Correctional Center in Independence, Virginia, promoted a fraud scheme using an outside co-conspirator to file false unemployment claims with the Virginia Employment Commission using multiple inmates' identities. These co-conspirators devised a scheme to defraud the Commonwealth of Virginia of unemployment insurance and Pandemic Unemployment Assistance administered by VEC.

The total intended losses attributable to the fraudulent UI/PUA filings was \$109,540. The co-conspirators in this scheme were charged federally with conspiracy to commit mail fraud and aggravated identity theft and sentenced to federal prison terms; the inmate to 70 months and the co-conspirator 37 months. They were ordered to pay joint restitution of \$109,540. OSIG conducted the investigation with the U.S. Department of Labor Office of Inspector General, U.S. Postal Service, Virginia Department of Corrections and VEC.

In a second investigation, OSIG found that a former VEC employee made false statements on 19 occasions when filing PUA claims online to obtain \$7,830 in benefits from the Commonwealth that he/she was not qualified to receive.

The subject pleaded guilty to a reduced misdemeanor charge of obtaining money by false pretense and four misdemeanor charges for computer fraud and making false statements to obtain benefits. For each of the five charges, the judge sentenced the subject to 12 months in jail with all 12 months suspended. The suspended sentences are conditioned upon:

- Restitution of \$7,830 to the VEC.
- Community service of 150 hours to be completed within 12 months.
- Uniform good behavior for 12 months.

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Established in 2012, the Virginia Office of the State Inspector General manages the State Fraud, Waste and Abuse Hotline; conducts investigations and performance audits of state agencies; provides training and standards for the commonwealth's internal audit programs; and conducts inspections and reviews of Virginia Department of Behavioral Health and Developmental Services-run facilities and programs.