

Former Massachusetts DUA employee sentenced to prison for COVID-19 fraud scheme

"Defendant committed crimes shortly after release from federal prison on unrelated charges.

A former employee of the Massachusetts Department of Unemployment Assistance (DUA) was sentenced yesterday for conspiring to misuse her position in an effort to obtain Pandemic Unemployment Assistance (PUA) funds through fraudulent claims, including claims using identities she stole.

Tiffany Pacheco, a/k/a Tiffany Tavery, 36, formerly of New Bedford, was sentenced by U.S. District Court Judge Indira Talwani to 42 months in prison and three years of supervised release. The defendant was also ordered to pay restitution in the amount of \$199,555 and forfeiture of \$17,181. On Aug. 30, 2021, she pleaded guilty to six counts of wire fraud, one count of conspiracy to commit wire fraud and one count of aggravated identity theft.

Tiffany Pacheco was hired by the DUA in April 2020, shortly after her release from federal prison following a conviction for aggravated identity theft. While employed by DUA, Tiffany Pacheco abused her position and access to the PUA claim system to submit fraudulent claims using stolen identity information and to submit fraudulent PUA claim information on behalf of herself and her husband, Arthur Pacheco, who was incarcerated in Texas until Sept. 4, 2020, and thus ineligible for PUA funds. Tiffany Pacheco also induced a friend to continue her scheme after she was caught, charged and detained.

"Ms. Pacheco violated the public's trust by egregiously abusing her position as a DUA employee to perpetrate a fraud

scheme that stole personal information from innocent victims and stole money from hardworking taxpayers,” said United States Attorney Rachael S. Rollins. “COVID-related assistance is intended to help hardworking American workers most affected by the pandemic. To take from these funds is to take from those experiencing legitimate hardship and genuine need. Adding insult to injury, Ms. Pacheco’s job at DUA presented an opportunity for new beginnings following her previous felony conviction. However, she ruined that opportunity by engaging in criminal behavior and refusing to change. Now she will be held responsible.”

“Pacheco abused her privileged access to the personal information of Massachusetts residents seeking unemployment assistance. She stole identities and manipulated records in the Pandemic Unemployment Assistance computer system in a scheme to enrich herself and her husband without regard for the lives of those whose identities were impacted or for the funds that should have gone to those in legitimate need,” said Matthew Millhollin, Special Agent in Charge for the Homeland Security Investigations’ New England Field Office.

“Tiffany Pacheco, while employed at the Commonwealth of Massachusetts, Department of Unemployment Assistance (DUA), engaged in a scheme to defraud the Department of Unemployment Assistance by applying for and receiving Pandemic Unemployment Assistance that she was not entitled to, using her own identity, her husband’s identity, and at least two stolen identities she accessed through DUA records. Pacheco abused her position at DUA by taking action on claims, including her husband’s claim, to secure just under \$200,000 in stolen benefits. The Office of Inspector General remains committed to protecting the integrity of the unemployment insurance program, particularly against those who attempt to use their positions of trust to enrich themselves at the expense of taxpayers,” said Special Agent-in-Charge Jonathan Mellone, U.S. Department of Labor, Office of Inspector General.

Tiffany Pacheco abused her employment-related access to DUA's online PUA claim system to submit and make changes to claims for five individuals. For two of these claims, she used personal identifying information (PII) obtained by virtue of her job at DUA, while other claims used PII that she had obtained independently. Tiffany Pacheco also used her access to the PUA claim system to make unauthorized eligibility determinations to prompt the payment of benefits and to increase the amount of payments. The total loss associated with the fraudulent claims Tiffany Pacheco submitted using stolen PII is \$159,922.

In June 2020, PUA claims submitted for Tiffany Pacheco and her husband reflected 2019 income of \$0 and no dependents. In July 2020, via her employment with DUA, Tiffany Pacheco obtained access to the PUA computer system, and later changed claim information for herself and Arthur Pacheco in order to increase the amount of PUA funds they would receive. For example, Tiffany Pacheco increased the amount of 2019 income for her and Arthur Pacheco to more than \$240,000 and increased the number of their dependents to seven. Tiffany Pacheco further used her access to the PUA system to verify the increased 2019 income on both claims without the required income verification documents.

In November 2020, Arthur Pacheco called DUA and falsely denied that he had been incarcerated during the timeframe leading up to September 2020, and that he was only incarcerated for approximately one month. Tiffany Pacheco also spoke with DUA and misrepresented the period of time in which Arthur Pacheco had been incarcerated.

Additionally, Tiffany Pacheco instructed Donna Wasson – a friend who resided in Texas – to use the DUA customer portal to access PUA claims for two of the fraudulent claims Tiffany Pacheco had submitted using stolen PII. Tiffany Pacheco further instructed Wasson to pose as a claimant and directed Wasson to a Google Drive account that contained the images of

driver's licenses and other documents under certain stolen identities. As a result, Wasson accessed unemployment claims under multiple stolen identities to fraudulently obtain benefits to which she was not entitled.

In September 2020, a search of the New Bedford apartment where Tiffany and Arthur Pacheco resided uncovered various tools of identity fraud, including an ID laminator, 100 blank ID cards, 68 hologram overlays, 150 card lamination sheets and 649 sheets of blank checks. Law enforcement also seized approximately \$17,000 cash and a notebook that contained the personal identifying information of various individuals. In addition, a driver's license recovered during the search matched the name of a victim Tiffany Pacheco used to submit another fraudulent PUA claim. On Sept. 23, 2020, DUA terminated Tiffany Pacheco's employment.

On Nov. 18, 2021, Arthur Pacheco was sentenced by Judge Talwani to one year in prison and three years of supervised release. Arthur Pacheco was also ordered to pay restitution and forfeiture in the amount of \$7,491. On March 8, 2022, Wasson was sentenced by U.S. District Court Chief Judge F. Dennis Saylor IV to 18 months in prison and two years of supervised release. Wasson was also ordered to pay restitution and forfeiture in the amount of \$5,437.

U.S. Attorney Rollins, HSI SAC Millhollin and DOL OIG SAC Mellone made the announcement today. The New Bedford Police Department, Massachusetts Parole Board and Massachusetts Department of Unemployment Assistance, Program Integrity Unit provided valuable assistance with the investigation. Assistant U.S. Attorney William Abely, Chief of Rollins' Criminal Division and Assistant U.S. Attorney Dustin Chao, Chief of Rollins' Public Corruption and Special Prosecutions Unit, prosecuted the case. The investigation was conducted by Homeland Security's Investigation's Document and Benefit Fraud Task Force (DBFTF), a specialized field investigative group comprised of personnel from various local, state, and federal

agencies with expertise in detecting, deterring, and disrupting organizations and individuals involved in various types of document, identity, and benefit fraud schemes.

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, among other methods, 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 involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>." -Massachusetts Department of Justice.