IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA

v.

OLIVIA SPELLMAN,

Defendant.

INDICTMENT

Case No. 22 CR 131 WMC
18 U.S.C. § 1341
18 U.S.C. § 2
18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 982
28 U.S.C. § 2461(c)

THE GRAND JURY CHARGES:

COUNTS 1-7

1. At times material to this indictment:

a. In 1935, the federal Social Security Act established a dual program of federal and state unemployment insurance (UI) benefits. Under the Social Security Act, each state administered its own UI program through their State Workforce Agencies (SWA), within the guidelines set forth by federal law. These state UI benefits were financed in part by state payroll taxes, remitted by taxable employers, which were held in trust by the United States Treasury's Federal Unemployment Trust Fund. During periods of high unemployment, the federal government has also funded state UI benefits directly.

b. The U.S. Department of Labor promulgated the laws and regulations governing federal administrative guidelines over the UI programs nationwide, and the U.S. DOL-OIG investigated fraud, waste and abuse in these programs.

c. The Families First Coronavirus Response Act became law on March 18, 2020 and provided additional flexibility for SWAs and additional administrative funding to respond to the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. The CARES Act expanded the states' abilities to provide UI for many workers impacted by the COVID-19 pandemic, including workers who were not ordinarily eligible for UI benefits.

d. One such program established to accomplish that end was the Federal Pandemic Unemployment Compensation (FPUC) Program. The FPUC Program allowed eligible individuals who were collecting certain UI benefits, including regular UI compensation, to receive an additional $600 in federal benefits per week for weeks of unemployment ending on or before July 31, 2020.

e. The Pandemic Emergency Unemployment Compensation Program allowed those who had exhausted benefits under regular UI compensation or other programs to receive up to 13 weeks of additional federally funded benefits.

f. An additional program, the Pandemic Unemployment Assistance (PUA) Program allowed individuals who did not qualify for regular UI compensation and were unable to continue working as a result of COVID-19 to file for UI benefits. Such individuals included self-employed workers, independent contractors, and gig workers. PUA provided up to 39 weeks of benefits to qualifying individuals who were otherwise able to work and available for work within the meaning of applicable state law, except that they were unemployed, partially unemployed, or unable or unavailable to work due to COVID-19 related reasons, as defined in the CARES Act. UI benefit payments under PUA were retroactive, for weeks of unemployment, partial employment, or inability to work due to COVID-19 reasons starting on or after January 27, 2020. Under Department of Labor guidance, claimants filed their UI claim in the state where they worked or, if they worked in more than one state, to contact the SWA of the state where they resided for additional information on how to file their claim.

g. An employee who had been terminated from employment without fault could file a claim with their respective SWA. Claimants typically submitted their UI claims electronically via electronic transmission using the internet via a computer or a cell phone. The claimant had to provide, among other information, his/her name, Social Security Number (SSN), and date of birth (DOB). Upon approval of the claim, the SWA issued a State-issued debit card (or in some instances, a paper check) to the claimant. Alternatively, the claimant could opt to have benefits directly deposited into a bank account of his/her choosing. A UI debit card was typically loaded with benefits after it had been activated, and money could be withdrawn from that card at an ATM.

h. In order to continue receiving UI benefits, a claimant had to contact the SWA to continue certifying their unemployed status on an ongoing basis, typically every week or two. When the claimant made the verification, the claimant provided his/her SSN and answered questions such as whether during the certification period the claimant worked, was able and available to work, and had actively sought work.

After the claimant completed this process, the debit card or claimant's bank account was refilled with UI benefits.

i. Each SWA's UI benefits debit card administration varied, but typically involved cards being mailed through the United States Postal Service. If a claimant reported a debit card lost or stolen, a new card could be mailed via the Postal Service or a private parcel carrier. In addition to financial instruments being mailed, SWA's often mailed benefits statements, finding letters, determinations, or other procedural documentation as a result of UI benefits claims being filed.

j. The following SWAs administered UI benefits for their respective states:

(1) Alabama Department of Labor–Unemployment Compensation Division (AL DOL) was the SWA for the State of Alabama;

(2) California Employment Development Department (CA EDD) was the SWA for the State of California;

(3) Colorado Department of Labor and Employment (CO DLE) was the SWA for the State of Colorado;

(4) Illinois Department of Employment Security (IL DES) was the SWA for the State of Illinois;

(5) Indiana Department of Workforce Development (IN DWD) was the SWA for the State of Indiana;

(6) Massachusetts Department of Unemployment Assistance (MA DUA) was the SWA for the State of Massachusetts;

(7) Nevada Department of Training and Rehabilitation (NV DETR) was the SWA for the State of Nevada;

(8) Ohio Department of Jobs and Family Services (OH JFS) was the SWA for the State of Ohio;

(9) Texas Workforce Commission (TX WC) was the SWA for the State of Texas; and;

(10) Wisconsin Department of Workforce Development (WI DWD) was the SWA for the State of Wisconsin.

k. The defendant lived at 1520 Holiday Drive, Apartment 6, Janesville, Wisconsin 53545.

2. During the period beginning in or about August 2020, and continuing to in or about April 2021, in the Western District of Wisconsin and elsewhere, the defendant,

OLIVIA SPELLMAN,

knowingly, and with the intent to defraud, devised and participated in a scheme to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and by concealment of material facts.

3. It was part of the scheme to defraud that the defendant participated in a scheme to collect CARES Act related unemployment insurance (UI) payments using the names of other individuals, as well as her own name, from multiple state unemployment agencies including SWAs in Alabama, California, Colorado, Illinois, Indiana, Massachusetts, Nevada, Ohio, Texas, and Wisconsin.

4. It was also part of the scheme to defraud that the defendant received mail from multiple state SWAs addressed to other individuals that contained letters regarding UI benefits for these individuals. For example, in October 2020 alone, the defendant received, by mail, 109 letters from different SWAs in the names of 43 different individuals. All of this mail was addressed to 1520 Holiday Drive, Apt. 6, Janesville, Wisconsin 53545.

5. It was further part of the scheme to defraud that the defendant received, by mail, UI debit cards in the names of other individuals from various SWAs. The defendant took these cards and cashed them out. She retained a portion of these proceeds and used the funds to purchase goods and services. She took the rest of the funds and sent it to her coconspirator via CashApp, Green Dot and Bitcoin.

6. It was further part of the scheme to defraud that the defendant received, via her two Green Dot accounts (xxx-6521 and xxx-6069), UI benefits from various SWAs in the names of other individuals. The defendant used a portion of these funds to purchase goods and services using her Green Dot cards.

7. It was further part of the scheme to defraud that the defendant attempted to cause a fraud loss amount of $1,026,508, and an actual fraud loss amount of $506,097, in requests and payments for unauthorized UI benefits from SWAs in Alabama, California, Colorado, Illinois, Indiana, Massachusetts, Nevada, Ohio, Texas, and Wisconsin.

<u>Mailings</u>

8. On or about the dates listed below, in the Western District of Wisconsin and elsewhere, the defendant,

OLIVIA SPELLMAN,

for the purpose of executing this scheme, knowingly used, and caused to be used, the Postal Service, as follows:

COUNT	DATE	NATURE OF MAILING
1	8-13-20	The defendant caused to be delivered an item of mail according to the directions thereon, a letter addressed to T.B. at 1520 Holiday Drive, Apt. 6, Janesville, Wisconsin 53545, from the California Employment Development Department regarding her notice of pandemic unemployment assistance award of $6,513
2	12-21-20	The defendant caused to be delivered an item of mail according to the directions thereon, a letter addressed to L.W. at 1520 Holiday Drive, Apt. 6, Janesville, Wisconsin 53545, from US Bank regarding a new US Bank VISA debit card for L.W.
3	12-21-20	The defendant caused to be delivered an item of mail according to the directions thereon, a letter addressed to M.M. at 1520 Holiday Drive, Apt. 6, Janesville, Wisconsin 53545, from US Bank regarding a new US Bank VISA debit card for M.M.
4	12-21-20	The defendant caused to be delivered an item of mail according to the directions thereon, a letter addressed to G.W. at 1520 Holiday Drive, Apt. 6, Janesville, Wisconsin 53545, from US Bank regarding a new US Bank VISA debit card for G.W.
5	12-30-20	The defendant caused to be delivered an item of mail according to the directions thereon, a check for UI benefits to A.D. at 1520 Holiday Drive, Apt. 6, Janesville, Wisconsin 53545, for $480 from the Ohio Department of Job & Family Services
6	1-4-21	The defendant caused to be delivered an item of mail according to the directions thereon, a letter addressed to A.D. at 1520 Holiday Drive, Apt. 6, Janesville, Wisconsin 53545, from US Bank regarding a new US Bank VISA debit card for A.D.
7	1-6-21	The defendant caused to be delivered an item of mail according to the directions thereon, a letter addressed to C.P. at 1520 Holiday

		Drive, Apt. 6, Janesville, Wisconsin 53545, from US Bank regarding a new US Bank VISA debit card for C.P.

(All in violation of Title 18, United States Code, Sections 1341 and 2).

FORFEITURE ALLEGATION

1. Upon conviction of one or more of the offenses alleged in Counts 1-7 of this indictment, the defendant,

OLIVIA SPELLMAN,

shall forfeit to the United States, pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982 and 28 U.S.C. § 2461(c), any property constituting or is involved in, or is derived from proceeds traceable to the above-referenced offense, including but not limited to the following:

a. A sum of money equal to $506,097 in United States currency, representing the amount of proceeds obtained as a result of mail fraud, as charged in Counts 1-7 of the indictment.

2. If any of the above-described forfeitable property, as a result of any act or omission of the defendant --

(a) cannot be located upon the exercise of due diligence,

(b) has been transferred or sold to, or deposited with, a third party,

(c) has been placed beyond the jurisdiction of the court,

(d) has been substantially diminished in value, or

(e) has been commingled with other property which cannot be subdivided without difficulty, the United States shall be entitled, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to forfeiture of substitute property up to the value of the above forfeitable property.

(In violation of Title 18, United States Code, Sections 981(a)(1)(C), 982 and Title 28, United States Code, Section 2461(c)).

A TRUE BILL

PRESIDING JUROR

Indictment returned: 11/9/2022

TIMOTHY M. O'SHEA
United States Attorney