IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION

UNITED STATES OF AMERICA

v. CASE NO. 4:22cr31/MW

LOUIS PAIVA, JR.
_______________________________________/

STATEMENT OF FACTS

The parties agree with the truthfulness of the following factual basis for the Defendant's guilty plea. The undersigned parties further agree that not all of the facts known from this investigation are contained in this brief summary. Defendant admits that, if this case were to proceed to trial, the Government could prove the following facts beyond a reasonable doubt:

Unemployment Insurance ("UI") was a state-federal program that provided monetary benefits to eligible lawful workers. Although state workforce agencies ("SWAs") administered their respective UI programs, they did so in accordance with federal laws and regulations. UI payments (benefits) were intended to provide temporary financial assistance to lawful workers who were unemployed through no fault of their own. Each state set its own additional requirements for eligibility, benefit amounts, and length of time that benefits were paid. Generally, UI weekly

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benefit amounts were based on a percentage of a one's earnings over a base period. UI benefits were generally funded by state employer taxes with administrative costs funded by the federal government. The UI program required states to make weekly benefit payments while ensuring claimants met eligibility requirements.

In the State of Florida, the Department of Economic Opportunity ("DEO") was the SWA that administered the UI program. DEO was headquartered in Tallahassee, Florida. All UI applications, certifications, and recertifications were received by DEO at its Tallahassee headquarters, and all UI payment transactions were initiated from there once approved.

<u>Federally-Enacted COVID-19 Pandemic Relief</u>

In March 2020, the President signed the Families First Coronavirus Response Act ("FFCRA") into law. The FFCRA provided additional flexibility for state UI agencies and additional administrative funding to respond to the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was also signed into law in March 2020. It expanded states' ability to provide UI for many workers impacted by COVID-19, including for workers who were not ordinarily eligible for UI benefits. The CARES Act provided for three new UI programs: Pandemic Unemployment Assistance ("PUA"); Federal Pandemic Unemployment Compensation ("FPUC"); and Pandemic Emergency Unemployment Compensation ("PEUC").

To further offset the pandemic impact on American workers, on August 8, 2020, the President authorized the Federal Emergency Management Agency (FEMA) to expend up to $44 billion dollars from the Disaster Relief Funds for lost wage payments. The President authorized the FEMA Administrator to provide grants to participating states, territories, and the District of Columbia to administer delivery of Lost Wages Assistance ("LWA") to those receiving unemployment insurance. Thus, extensions and expansions of UI coverage and benefits, such as those provided by the CARES Act and subsequent legislation, such as FFCRA, were normally funded by the federal government.

Financial Institutions

Once benefit payments were approved to be issued by DEO, UI benefit payments were paid to UI claimants electronically via direct deposit (ACH) from DEO's financial institution, JP Morgan Chase Bank, which was headquartered in New York, New York. Navy Federal Credit Union was a financial institution that was headquartered in Vienna, Virginia, and was where Defendant Louis Paiva, Jr. ("Paiva") banked and had his federal salary deposited by the National Finance Center ("NFC"). JP Morgan Chase Bank and Navy Federal Credit Union both processed ACH transactions through computer servers located outside of the State of Florida.

False UI Benefits Applications

On January 20, 2022, the Department of Homeland Security (DHS), Office of Inspector General (OIG) COVID Fraud Unit (CFU) conducted a crossmatch of DHS Employees who possibly received Unemployment Insurance (UI) benefits while also being paid by DHS. Specifically, employee UI claim data was cross matched with Bureau of the Fiscal Service (BFS) payroll data, which showed all non-tax government check and automated clearing house (ACH) payments to employees' bank accounts. The crossmatch identified those employees whose UI claim benefits were deposited into the same bank account as was listed in the employee's BFS data. Once those employees were identified, their WebTA (DHS software to apply for pay) data was analyzed to determine their duty hours during the pay period of when their claim was filed. As such, this review revealed that between on or about March 15, 2020, and March 8, 2021, a total of $16,435.00 in UI assistance (including PEUC, FPUC, and LWA benefits) was deposited into a bank account that was used by Paiva, who worked as a Transportation Security Officer for the Transportation Security Administration (TSA) at the Orlando International Airport in Orlando, Florida.

DHS records pertaining to Paiva's employment revealed that:

- From March 3, 2019 through March 27, 2021, Paiva worked at the TSA in Orlando, FL.

- From March 28, 2021 through May 22, 2021, Paiva worked with the TSA in Detroit, MI.
- On May 22, 2021, Paiva left TSA Detroit to start employment with the US Customs and Border Protection, Detroit, MI.

Florida DEO records

Records from FL DEO revealed that approximately 24 applications and recertifications were submitted by Paiva to DEO in which Paiva's name, date of birth, residential address, Florida driver's license number, social security number, and bank accounts were listed. Paiva's false UI applications/recertifications are summarized as follows:

1. On May 23, 2020, Paiva submitted his initial application for UI Benefits to FL DEO, in which he falsely stated that:
   a. He was not a federal civilian employee,
   b. He did not work full time between May 17, 2020, and May 23, 2020, and
   c. He did not work and earn at least $275 from May 17, 2020, and May 23, 2020.

2. On May 25, 2020, for the week of March 15-21, 2020, Paiva submitted a recertification to the FL DEO which contained the following false information:
   a. **"Total number of hours worked. Self-employed with 1Less Tech, worked 6 hours and earned $84.00."**

   ** Based on a review of present records, State of Florida did not start payment for this time period.**

** This conflicts with National Finance Center (NFC) records pay period 6 where Paiva worked 80 hours and was paid $1,533.63.**

3. On May 29, 2020, for the week of March 29, 2020 through April 4, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
   a. **"Did you work or earn any money? No"**
   b. **"Did you receive, or apply for income from any other sources that not previously reported to us? No."**

**As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

** This conflicts with NFC records pay period 7 where Paiva worked 80 hours and was paid $1,542.28.**

4. On March 8, 2021, for the week of April 5-11, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
   a. **"Did you work or earn any money? No"**
   b. **"Did you receive, or apply for income from any other sources that not previously reported to us? No."**

As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

** This conflicts with NFC records pay period 7 where Paiva worked 80 hours and was paid $1,542.28.**

5. On June 4, 2020, for the week of May 10-16, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
   a. **"Did you work or earn any money? No"**
   b. **"Did you receive, or apply for income from any other sources that not previously reported to us? No."**

As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

** This conflicts with NFC records pay period 10 where Paiva worked 80 hours and was paid $1,411.49.**

6. On May 29, 2020, for the week of May 17, 2020 through May 23, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
   a. **"Did you work or earn any money? No"**
   b. **"Are you employed as a federal civilian employee? No."**

As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

** This conflicts with NFC records pay period 10 where Paiva worked 80 hours and was paid $1,542.28.**

7. On June 12, 2020, for the week of May 31, 2020 through June 6, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
   a. **"Did you work or earn any money? No"**
   b. **"Did you receive, or apply for income from any other sources that not previously reported to us? No."**

As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

** This conflicts with NFC records pay period 11 where Paiva worked 88 hours and was paid $1,629.01.**

8. On June 25, 2020, for the week of June 7-13, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
   a. **"Did you work or earn any money? No"**
   b. **"Did you receive, or apply for income from any other sources that not previously reported to us? No."**

As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

** This conflicts with NFC records pay period 12 where Paiva worked 80 hours and was paid $1,481.72.**

9. On June 25, 2020, for the week of June 14-20, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
   a. **"Did you work or earn any money? No"**
   b. **"Did you receive, or apply for income from any other sources that not previously reported to us? No."**

   As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

   ** This conflicts with NFC records pay period 12 where Paiva worked 80 hours and was paid $1,481.72.**

10. On July 29, 2020, for the week of July 5-11, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
    a. **"Did you work or earn any money? No"**
    b. **"Are you still unemployed as a direct result of COVID-19? Yes."**
    c. **"Did you receive, or apply for income from any other sources that you have not previously reported to us? No."**

    As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

    ** This conflicts with NFC records pay period 14 where Paiva worked 80 hours and was paid $1,508.97.**

11. On August 6, 2020, for the week of July 19-25, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
    a. **"Did you work or earn any money? No"**
    b. **"Are you still unemployed as a direct result of COVID-19? Yes."**
    c. **"Did you receive, or apply for income from any other sources that you have not previously reported to us? No."**

    As a result of this application, the State of Florida's DEO paid $787.00 in UI assistance to Pavia.

    ** This conflicts with NFC records pay period 15 where Paiva worked 80 hours and was paid $1,453.09.**

12. On August 17, 2020, for the week of July 26, 2020 through August 1, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
    a. **"Did you work or earn any money? No."**
    b. **"Are you still unemployed as a direct result of COVID-19? Yes."**
    c. **"Did you receive, or apply for income from any other sources that you have not previously reported to us? No."**

    As a result of this application, State of Florida's DEO paid $517.00 in UI assistance to Pavia.

    ** This conflicts with NFC records pay period 15 where Paiva worked 80 hours and was paid $1,453.09.**

13. On August 27, 2020, for the week of August 9, 2020 through August 15, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
    a. **"Did you work or earn any money? No."**
    b. **"Are you still unemployed as a direct result of COVID-19? Yes."**
    c. **"Did you receive, or apply for income from any other sources that you have not previously reported to us? No."**

    As a result of this application, the State of Florida's DEO paid $517.00 in UI assistance to Pavia.

    ** This conflicts with NFC records pay period 16 where Paiva worked 80 hours and was paid $1,453.09.**

14. On September 10, 2020, for the week of August 30, 2020 through September 5, 2020, Paiva submitted a recertification to FL DEO which contained the following false information:
    a. **"Did you work or earn any money? No."**
    b. **"Are you still unemployed as a direct result of COVID-19? Yes."**
    c. **"Did you receive, or apply for income from any other sources that you have not previously reported to us? No."**

    **As a result of this application, the State of Florida's DEO paid $247.00 in UI assistance to Pavia.

** This conflicts with NFC records pay period 18 where Paiva worked 88 hours and was paid $1,617.47.**

Payments to Paiva

The total paid by FL DEO as a result of Paiva's false and fraudulent UI application and recertifications was $18,275.00. Of that, $16,435 was paid direct to Paiva, and $1,840 was withheld for his federal income taxes.

From May 23, 2020 through March 8, 2021, approximately 36 deposits comprised of UI benefits (PEUC, FPUC, and LWA benefits) were made into Navy Federal Credit Union account number ending in -477, which is the same account into which Pavia had his federal salary deposited. These deposits totaled $16,435.00.

Interview of Paiva

On March 28, 2022, special agents of DHS OIG, Detroit Field Office, interviewed Louis Paiva (this interview was audio recorded). At the onset of the voluntary interview, Paiva read aloud from INV Form 27 - Advice of Rights (Garrity). Paiva acknowledged he understood his rights and subsequently signed and dated the rights advisement form.

Paiva said that he resided in Kissimmee, FL from 2005 until 2020 and in Winter Springs, FL from 2020 until April 2021, when he moved to his current residence in Dearborn, MI. He also confirmed he began his federal civilian employment as a Transportation Security Officer (TSO) with TSA in Florida from March 2019 until he transferred as a TSO to Romulus, MI in April 2021. [Note: Paiva responded affirmatively when asked if he was a federal civilian employee; however, Paiva responded negatively to the same question on the Florida DEO UI applications, as noted above.]

Paiva said he was the sole employee of a business he started out of his residence, called 1LessTech, in May 2018. Paiva said the business centered on providing customers with services related to computers, automobiles and home technology. Paiva estimated his self-employment increased his income by $5,000 in 2018 and somewhere between $10,000 - $15,000 in 2019. Paiva claimed his business accounted for 40-45% of his total income in 2019 and he anticipated his self-employment earnings to increase in 2020, until the pandemic struck.

Paiva later used his Navy Federal Credit Union account, ending in 477, to receive the direct deposit of his TSA paycheck and currently used the account to receive his CBP paycheck. Paiva confirmed that he never reported any fraud associated with the accounts and neither of the bank accounts had been used in connection to any unreported fraudulent schemes. Paiva also said he had no reason to believe he had been the victim of identity theft.

Paiva was somewhat familiar with the application process to receive UI benefits from the State of Florida because he first applied for UI benefits in 2014, after he was fired from the position he held for three years as a Deputy Sheriff, Osceola County Sheriff's Office, Kissimmee, FL. Paiva claimed his termination stemmed from performance issues and estimated he subsequently received UI benefits for a period less than one year, possibly three to six months. Paiva acknowledged he filed his 2014 application on the Florida DEO website and provided truthful answers to the questions on the application. Paiva confirmed he was expected to report any wages he earned in 2014, while he received UI benefits.

Paiva also admitted that he applied for UI benefits a second time, in 2020, on the Florida DEO website. Paiva explained he sought UI benefits to replace the additional income he earned through his personally-owned business, which essentially shut down because of the pandemic. Paiva said he provided the necessary information to have UI benefits directly deposited into his Navy Federal Credit Union account. Paiva initially estimated he received a total of approximately $10,000 - $12,000 in UI benefits, but later in the interview he claimed it may have been approximately $16,000.

Paiva reviewed, initialed and dated a copy of the Florida DEO claims that he submitted on May 25, 2020, and on June 12, 2020. Paiva said that he answered the questions with the understanding they pertained solely to his self-employment activities. Consequently, in his claim, he responded negatively to the question that asked if he worked or earned any money from May 31, 2020, through June 6, 2020, and to the question that asked if he received or applied for income from any other sources that he had not previously reported.

Paiva reviewed, initialed and dated a copy of a Florida DEO claim that he submitted on July 17, 2020, in which he responded affirmatively to the question that asked if he was currently unemployed, although he was employed full-time with TSA, and negatively to the question that asked if he filed for Florida unemployment insurance within the last 18 months, contrary to his actions. Additionally, Paiva responded negatively to the question that asked if he worked full-time that week.

Although Paiva was initially reluctant to acknowledge he willfully lied on his UI application and recertifications, he said, in hindsight, he could see what he did was wrong. At the conclusion of the interview, Paiva admitted that he knew his answers were untruthful at the time he submitted the information to the Florida DEO. Paiva also admitted he fully expected he would be required to take responsibility for his actions at some point and said he was willing to repay the money he fraudulently obtained. Paiva also willingly provided a sworn, handwritten statement at the conclusion of the interview, in which he admitted the following:

- "The unemployment application did not have truthful answers. I was approved for benefits I did not deserve."

- "I believe it was wrong for me to apply for unemployment assistance."
- "I lied at the time of the application but wanted to make it right."

ELEMENTS OF THE OFFENSE

I. Theft of Government Money - 18 U.S.C. § 641 (Counts 1)

Elements to be proven beyond a reasonable doubt:

a) the money or property described in the indictment belonged to the United States;
b) the Defendant embezzled, stole, knowingly converted the money or property to his own use or to someone else's use;
c) the Defendant knowingly and willfully intended to deprive the United States of the use or benefit of the money or property; and
d) the money or property had a value greater than $1,000.

To "steal" or "convert" means to wrongfully or intentionally take the money or property belonging to someone else with the intent to deprive the owner of its use or benefit permanently or temporarily.

11th Circuit Pattern Jury Instructions § O21.

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