



Department of Justice

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UNEMPLOYMENT INSURANCE BENEFITS FRAUD

Seven Delaware Residents Charged

United States Attorney Charles M. Oberly, III, announced that seven Delaware residents were indicted¹ by a Grand Jury yesterday, on charges that they each fraudulently obtained thousands of dollars in unemployment benefits from the Delaware Department of Labor. Altogether, the indictments allege that the defendants defrauded the Delaware Department of Labor out of more than \$110,000 in both state and federally-funded benefits.

The defendants were charged with various counts of felony mail fraud and theft of government funds. In each case, restitution is mandatory and the felony mail fraud counts each carry possible prison sentences along with a fine. The seven defendants named in the indictments are:

- Sharon Graham, 35, of Bear, Delaware
- Burnett L. Griffin, 55, of Frankford, Delaware
- Darrie Hallmon 42, of Newark, Delaware
- Karl Owens, 47, of New Castle, Delaware
- Likeythere Ross, 37, of Seaford, Delaware
- Robert E. Smith, Jr., 44, of Dover, Delaware
- Luther L. Walker, IV, 29, of Milton, Delaware

According to the indictments, each defendant allegedly applied for unemployment insurance benefits, and falsely certified his/her continuing eligibility to receive payments to the Delaware Department of Labor, in order to collect unemployment benefits even though they did not meet eligibility requirements. The State of Delaware's unemployment insurance compensation program provides temporary income replacement benefits for individual workers who lose their jobs and meet certain eligibility requirements as determined by state law. An eligible worker can receive up to twenty-six (26) weeks of regular unemployment compensation benefits, as well as additional emergency unemployment compensation benefits funded by the federal government. After February 2009, federal stimulus money was provided under the American Reinvestment and Recovery Act to expand unemployment insurance benefits. The indictments allege that it was these funds along with other federal funds that were taken as part

of the defendants' fraudulent schemes. The investigation is ongoing and further charges are expected.

John Spratley, Special Agent-in-Charge of the Philadelphia Region for the U.S. Department of Labor's Office of Inspector General, Office of Labor Racketeering and Fraud Investigations said, "Today's indictments send a powerful message that the OIG will continue to protect the integrity of the Department of Labor's programs by aggressively investigating those who violate the law to obtain benefits to which they are not entitled. The OIG will continue to work with the State of Delaware to investigate these types of abuses."

These cases are being prosecuted by Mark M. Lee, Assistant United States Attorney. These cases were investigated by the U.S. Department of Labor, Office of Inspector General, in coordination with the Delaware Department of Labor. For further information, contact United States Attorney Charles M. Oberly, III or Assistant United States Attorney Mark M. Lee at (302) 573-6277.

ⁱ Indictments are only charges and are not evidence of guilt. A defendant is presumed to be innocent until and unless proven guilty.