

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF RHODE ISLAND

FILED

UNITED STATES OF AMERICA

v.

AMBULAI R. SHEKU,  
Defendant.

Criminal Case No.

18 U.S.C. § 1349

18 U.S.C. § 641

18 U.S.C. § 1030(a)(4) & (c)(3)(A)

18 U.S.C. § 2

2016 OCT 13 P 1:23

U.S. DISTRICT COURT  
DISTRICT OF RHODE ISLAND

CR 16-091-S-LDA

INFORMATION

The United States Attorney charges that:

Background

1. The Social Security Act of 1935 initiated the Federal and State Unemployment Insurance System (hereinafter "UI"), which was designed to provide benefits to individuals out of work through no fault of their own. The purpose of UI was to lessen the effects of unemployment through payments made directly to unemployed workers, thereby enabling said individuals to pay for the necessities of life, such as food, shelter and clothing on a weekly basis while the individual sought employment. The UI program was administered by State Workforce Agencies. The Rhode Island Department of Labor and Training ("DLT") is the State Workforce Agency in the State of Rhode Island responsible for the implementation and operation of various state and federal workforce programs including the UI program.

2. The Department of Labor and Training operates its programs using a combination of federal and state dollars. The Unemployment Insurance Program within the Income Support Division pays Unemployment Insurance Benefits to eligible

recipients. The benefit payments are typically funded by tax dollars paid by Rhode Island employers. However, during times of extreme unemployment or in special programs, the federal government offsets the cost of unemployment benefits for the states. All DLT administrative operational costs, including salaries and systems, are funded via grants from the United States Department of Labor.

3. The Unemployment Insurance Program provides temporary income support ("UI benefits"), in the form of weekly cash benefits for the period of time that the eligible employee seeks new work. The unemployed worker must file an application for benefits with DLT for the UI benefits. This application in Rhode Island was filed either over the internet or via the telephone. The amount of weekly UI benefits paid to a claimant was based on the claimant's prior earnings, as reported by the employer for a specified time period called the "base period."

4. After meeting the initial requirements, a UI claimant has to meet the following eligibility requirements to maintain UI benefits: (a) keep all scheduled appointments; (b) be able to work; (c) be available for work; (d) actively seek work; (e) not refuse any offer of suitable work; and (f) claim weekly UI benefits by telephone or the Internet.

5. The resulting claim for benefits must be certified for each week in order to receive benefit payments. During the time set forth in the Information, certification was made via the internet or telephone using the claimant's social security number, benefit year ending code and personal identification number. Each weekly certification resulted in a payment being issued to the claimant, if otherwise eligible, via the

payment method selected at the time the claim is filed. During the time described in this Information, the available payment methods were direct deposit to a financial institution or via electronic payment card (EPC) which functions like a bank debit card. Funds for the benefits were drawn from state-controlled accounts at financial institutions which operated in interstate and foreign commerce. The electronic payment cards were distributed to claimants by U.S. mail.

6. The computer system that DLT used to administer unemployment insurance benefits is a comprehensive benefits system that allowed for initial claims, continued claims, refiled claims and extensive special programs. Staff members at DLT were given limited authorized access to DLT's computer system.

7. From in or about February 2009 to on or about February 13, 2015 Defendant AMBULAI R. SHEKU was a Senior Employment and Training Interviewer for DLT. In his role, SHEKU was responsible for answering customer calls, processing claims, providing customer service via telephone and email, issuing payments and other related functions as directed by management, all subject to the limitations on his authority set by DLT. SHEKU had general call center level access to DLT's computer system; however, he did not have access to certain areas of the system. Further, changes in a claimant's profile, including address changes, had to be authorized by the claimant.

**COUNT 1**

(Conspiracy to Commit Mail Fraud)

8. Paragraphs 1 through 7 are incorporated herein and realleged by reference.

9. Beginning as early as in or about June 2009, and continuing until in or about February 2015, the exact dates being unknown to the United States, in the District of Rhode Island and elsewhere, the defendant, AMBULAI R. SHEKU, did knowingly, intentionally and unlawfully combine, conspire, confederate and agree with others, both known and unknown to the United States, to commit the following offense against the United States, namely, to devise and intend to devise a scheme and artifice to defraud the Rhode Island Department of Labor and Training, and to obtain money by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to cause matters to be placed in any post office and authorized depository for mail matter to be sent and delivered by the U.S. Postal Service and private or commercial interstate carriers, in violation of Title 18, United States Code, Section 1341 (Mail Fraud).

a. It was part of the scheme and artifice to defraud that SHEKU would, without authorization and exceeding his authorized access to the DLT computer system, change the addresses of legitimate UI beneficiaries, thus causing the banks funding the UI benefits to send by U.S. mail a new EPC card to another member of the conspiracy, who would then be able to fraudulently obtain cash and/or goods by utilizing the EPC card.

b. It was further part of the scheme and artifice to defraud that SHEKU would, without authorization and exceeding his authorized access to the DLT computer system, take steps to extend the expiration of benefits members of the conspiracy;

c. It was further part of the scheme and artifice to defraud that SHEKU would, without authorization and exceeding his authorized access to the DLT computer system, cause fraudulent claims, including claims by individuals who were employed and thus ineligible for UI benefits, to be approved such benefits;

d. It was further part of the scheme and artifice to defraud that SHEKU would, without authorization and exceeding his authorized access to the DLT computer system, fraudulently increase the balance of UI benefits available to one of his coconspirators; and

e. It was further part of the scheme and artifice to defraud that SHEKU would, without authorization and exceeding his authorized access to the DLT computer system, fraudulently remove blocks or “stops” on the payment of further benefits that DLT had validly imposed, thus allowing a coconspirator to continue receiving benefits to which he was not entitled.

f. From in or about June 2009, and continuing until in or about February 2015, SHEKU fraudulently obtained UI benefits for himself and others of approximately \$508,691, more or less, of which approximately \$350,606 were federal funds.

All in violation of 18 U.S.C. § 1349.

**COUNT 2**  
(Theft of Government Funds)

10. Paragraphs 1 through 9 are incorporated herein and realleged by reference.

11. Beginning as early as in or about June 2009, and continuing until in or about

February 2015, the exact dates being unknown to the United States, in the District of Rhode Island and elsewhere, the defendant, AMBULAI R. SHEKU, did knowingly embezzle, steal, purloin and convert to his use and the use of others, money and things of value of the United States and of an agency and department thereof, to wit the United States Department of Labor, and did aid, abet, counsel, command, induce and procure the commission of this offense.

All in violation of 18 U.S.C. §§ 641 and 2.

**COUNT 3**

(Accessing a Protected Computer to Commit Fraud)

12. Paragraphs 1 through 9 are incorporated herein and realleged by reference.

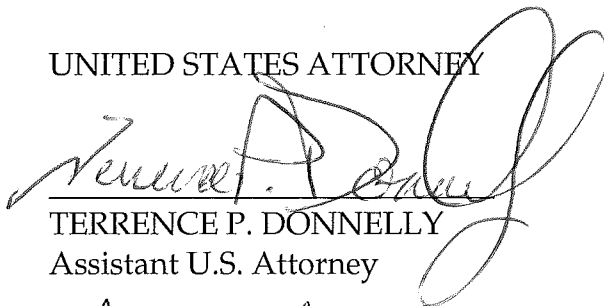
13. Beginning as early as in or about June 2009, and continuing until in or about February 2015, the exact dates being unknown to the United States, in the District of Rhode Island and elsewhere, the defendant, AMBULAI R. SHEKU, knowingly and with intent to defraud accessed a protected computer without authorization and exceeding his authorized access and by means of such conduct furthered the intended fraud and obtained something of value, specifically, fraudulently obtained unemployment

insurance benefits, and did aid, abet, counsel, command, induce and procure the commission of this offense.

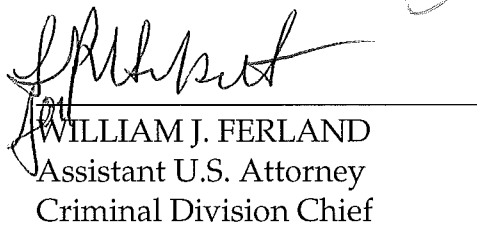
All in violation of 18 U.S.C. §§ 1030(a)(4), 1030(c)(3)(A), and 2.

PETER F. NERONHA

UNITED STATES ATTORNEY



TERRENCE P. DONNELLY  
Assistant U.S. Attorney



WILLIAM J. FERLAND  
Assistant U.S. Attorney  
Criminal Division Chief

DATED: October 13, 2016

## DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☒ INFORMATION ☐ INDICTMENT ☐ COMPLAINT CASE NO. \_\_\_\_\_Matter Sealed: ☐ Juvenile ☐ Other than Juvenile☐ Pre-Indictment Plea ☐ Superseding ☐ Defendant Added  
☐ Indictment ☐ Charges/Counts Added  
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

UNITED STATES DISTRICT COURT RHODE ISLAND  
DISTRICT OF RHODE ISLAND Divisional OfficeName and Office of Person  
Furnishing Information on  
THIS FORM

PETER F. NERONHA

☒ U.S. Atty ☐ Other U.S. Agency  
Phone No. (401) 709-5000Name of Asst.  
U.S. Attorney  
(if assigned)

TERRENCE P. DONNELLY

## PROCEEDING

Name of Complainant Agency, or Person (&amp; Title, if any)

DEPARTMENT OF LABOR AND TRANSPORTATION

☐ person is awaiting trial in another Federal or State Court  
(give name of court)☐ this person/proceeding transferred from another district  
per (circle one) FRCrP 20, 21 or 40. Show District☐ this is a reprosecution of charges  
previously dismissed which were  
dismissed on motion of:☐ U.S. Atty ☐ Defense☐ this prosecution relates to a  
pending case involving this same  
defendant. (Notice of Related  
Case must still be filed with the  
Clerk.)☐ prior proceedings or appearance(s)  
before U.S. Magistrate Judge  
regarding this defendant were  
recorded underSHOW  
DOCKET NO.MAG. JUDGE  
CASE NO.Place of  
offense RHODE ISLAND

County

USA vs.

Defendant: AMBULAI SHEKUAddress: Providence, RI 02908☐ Interpreter Required Dialect: \_\_\_\_\_Birth Date 1979 ☒ Male ☐ Alien  
☐ Female (if applicable)

Social Security Number \_\_\_\_\_

## DEFENDANT

Issue: ☐ Warrant ☒ Summons

Location Status:

Arrest Date \_\_\_\_\_ or Date Transferred to Federal Custody \_\_\_\_\_

☐ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ FugitiveDefense Counsel (if any): John R. Grasso☐ FPD ☐ CJA ☒ RET'D☐ Appointed on Target Letter☐ This report amends AO 257 previously submitted

## OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 3

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
1	18 U.S.C. § 1349	Conspiracy to Commit Mail Fraud	<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
1	18 U.S.C. § 641	Theft of Government Funds	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
1	18 U.S.C. § 1030(a)(4)	Accessing a Computer to Commit Fraud	<input checked="" type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
Max	Imprisonment: 20 years; Supervised Release	3 years; Fine: \$250,000; Special Assessment: \$300	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor