

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

v.

DERRICK GADSON,
Defendant.

1:21CR107WES-LDA

Cr. No.

In violation of 18 U.S.C. § 1343
(Wire Fraud), 18 U.S.C. § 641 (Theft
of Government Money) and 18
U.S.C. § 1028A (Aggravated
Identity Theft)

Forfeiture

INDICTMENT

The United States Attorney charges that:

Introduction

At all times relevant to this Indictment:

1. Defendant DERRICK GADSON resided in Rhode Island.
2. The Unemployment Insurance Program ("UI Program") was a joint federal-state partnership administered on behalf of the U.S. Department of Labor by agencies in each state. In Rhode Island, the UI Program is administered by the Rhode Island Department of Labor and Training (RIDLT). In Arizona and Massachusetts, the UI Programs were administered by the Arizona Department of Economic Security (ADES) and the Massachusetts Department of Unemployment Assistance (MADUA), respectively.
3. In March 2020, the Families First Coronavirus Response Act (FFCRA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act provided additional funding for state UI agencies to respond to the COVID-19 pandemic. The CARES Act

allowed states to expand the scope of workers who were eligible to receive state UI benefits, to extend the period of time for which workers could be eligible for UI benefits, and to allow workers who may have exhausted UI benefits under traditional programs to receive benefits. The CARES Act further expanded the ability of states to provide benefits to unemployed workers by creating three new unemployment programs, namely, the Pandemic Unemployment Assistance (PUA) program, which permitted states to provide benefits to individuals who were self-employed, seeking part-time employment, or otherwise would not qualify for regular unemployment benefits, the Federal Pandemic Unemployment Compensation (FPUC) program, which provided an additional benefit, initially in the amount of \$600 and later, in the amount of \$300, in federal benefits to individuals collecting traditional UI program benefits, and the Pandemic Emergency Unemployment Compensation (PEUC) program, which provided additional weeks of benefits for individuals who had otherwise exhausted their entitlement to regular UI benefits (collectively referred to herein as "expanded pandemic UI benefits") PUA and FPUC benefits were 100% federally funded benefits paid through state UI agencies.

4. To receive UI, PUA, PEUC and FPUC benefits from a state UI agency, an applicant could file a claim, via the internet, with the state UI agency from which he was eligible to seek benefits or could file an application by downloading or requesting an application and mailing it into the state UI agency. An applicant is not permitted to seek UI, PUA, FPUC and PEUC benefits in more than one state at the same time.

Scheme to Defraud and to Obtain Monies

5. From at least in or about June 2020, and continuing until on or about July 3, 2020, in the District of Rhode Island and elsewhere, the Defendant,

DERRICK GADSON

attempted to commit and did commit wire fraud, that is, did knowingly and with intent to defraud, devise and intend to devise a scheme to defraud and to obtain money from multiple state UI agencies, by means of materially false and fraudulent pretenses, representations, and promises, knowing that they were false and fraudulent when made, through the transmission in interstate commerce of wire communications.

The Object of the Scheme to Defraud and to Obtain Monies

6. The object of the scheme was for GADSON to unlawfully enrich himself by filing claims for UI benefits and PUA benefits with RIDLT, and while receiving benefit payments from RIDLT, filing claims with other state UI agencies, and falsely claiming that he had resided and worked in states other than Rhode Island and that he was eligible for regular UI or expanded pandemic UI benefits in those states.

Manner and Means of the Scheme

7. Beginning on or about June 16, 2020 and continuing through at least December 5, 2020, GADSON filed claims for expanded pandemic UI benefits with RIDLT. In his application and continued certifications, GADSON claimed that he resided in Rhode Island and that he had been employed in Rhode Island in 2018 and 2019. RIDLT records indicate that GADSON was paid approximately \$10,550 in expanded pandemic benefits from RIDLT.

8. It was further part of the scheme and artifice to defraud that on or about June 22, 2020, GADSON began filing fraudulent applications to obtain expanded pandemic UI benefits in other states, including the following applications:

- a. On or about June 22, 2020, GADSON filed an application with AZDES, and in that application, he falsely claimed that that he had worked in Arizona and that he had not worked in any other state for the past two years. AZDES records indicate that GADSON was paid approximately \$117 in expanded pandemic UI benefits from AZDES.
- b. On or about July 3, 2020, GADSON filed an application with MADUA. In the application, he falsely claimed that he was entitled to benefits from Massachusetts because he had worked in that state. MADUA records indicate that GADSON was paid approximately \$17,208 in expanded pandemic UI benefits.

Execution of the Scheme

9. On or about the dates listed below, in the District of Rhode Island and elsewhere, the Defendant,

DERRICK GADSON

for the purpose of executing aforesaid scheme and artifice to defraud and to obtain money, and attempting to do so, knowingly transmitted and caused to be transmitted by means of wire communication in interstate commerce to wit, using a device accessing the internet, the filing of an online application for regular UI and expanded UI pandemic benefits from the listed state UI agencies.

Count	Date of Application	State UI Agency
1	June 22, 2020	AZDES
2	July 3, 2020	MADUA

All in violation of 18 U.S.C. § 1343.

COUNT THREE

(Theft of Government Money – 18 U.S.C. § 641)

10. The allegations contained in paragraphs 1 through 9 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

11. From at least in or about June 2020, and continuing until in or about December 2020, in the District of Rhode Island and elsewhere, the Defendant,

DERRICK GADSON

did willfully and knowingly attempt to and did steal and purloin money belonging to the United States, in an amount exceeding \$1,000, to wit, funds paid as expanded pandemic UI benefits, specifically, PUA and FPUC benefits.

All in violation of 18 U.S.C. § 641.

COUNT FOUR

(Aggravated Identity Theft - 18 U.S.C. §§ 1028A, 2)

12. The allegations contained in paragraphs 1 through 9 of this Indictment are re-alleged and incorporated by reference as though fully set forth herein.

13. On or about August 16, 2020, in the District of Rhode Island and elsewhere, Defendant,

DERRICK GADSON

did knowingly transfer, possess, and use, without lawful authority, a means of identification of another person, to wit the name and social security number of C.R., during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), to wit, wire fraud, in violation of 18 U.S.C. § 1343, knowing that the means of identification belonged to another actual person.

All in violation of 18 U.S.C. §§ 1028A(a)(1) and 2.

FORFEITURE ALLEGATION

Upon conviction of the wire fraud offense alleged in this Indictment, defendant GADSON shall forfeit to the United States of America, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all right, title, and interest in any and all property, real or personal, which constitutes or is derived from proceeds traceable to a violation of 18 U.S.C. § 1343, including but not limited to the following:

A sum of money equal to the total amount of any property, real or personal, which constitutes or is derived from proceeds and/or traceable to a violation of 18 U.S.C. § 1343.

If any of the above-described forfeitable property, as a result of any act or omission of the defendant, cannot be located upon the exercise of due diligence, has been transferred, sold to, or deposited with a third party, has been placed beyond the jurisdiction of the court, has been substantially diminished in value, or has been commingled with other property which cannot be divided without difficulty, it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

All in accordance with 18 U.S.C. § 981(a)(1) as incorporated by 28 U.S.C. § 2461(c), and Rule 32.2(a), Federal Rules of Criminal Procedure.

RICHARD B. MYRUS
ACTING UNITED STATES ATTORNEY



GEORGE MICHAEL SEAMAN
DENISE MARIE BARTON
STACEY P. VERONI
Assistant U.S. Attorneys
JOHN MOREIRA
Special Assistant U.S. Attorney



LEE H. VILKER
Assistant U.S. Attorney
Deputy Criminal Chief

Date: October __, 2021