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Department of Justice

U.S. Attorney's Office

Eastern District of Virginia

FOR IMMEDIATE RELEASE

Tuesday, May 17, 2022

Midlothian Woman Pleads Guilty to \$1.2 M COVID-19 Fraud Scheme

RICHMOND, Va. – A Midlothian woman pleaded guilty today to defrauding the Pandemic Unemployment Assistance (PUA) Program, the Paycheck Protection Program (PPP), and the Economic Injury Disaster Loan (EIDL) program, using victims' personal identifying information that she obtained from her state government employment.

According to court documents, in the first of three fraud schemes, from May 2020 to August 2021, Sadie Mitchell, 30, with the assistance of her co-conspirator, executed a scheme to defraud the Virginia Employment Commission by filing at least 20 fraudulent unemployment applications using the personal identifying information of inmates. Among the false information included in these applications were false physical addresses, false last employers, and a false certification that the inmates were ready, willing, and able to work in the event employment became available. The conspirators further defrauded the Virginia Employment Commission by filing at least 30 fraudulent applications in the names of other individuals whose personal identifying information was obtained, in part, by Mitchell querying a government database she had access to as an employee of the Virginia Motor Vehicle Dealer Board. Through this fraud scheme, the conspirators obtained approximately \$1 million in PUA and Unemployment Insurance benefits.

Additionally, from June 2020 to June 2021, Mitchell devised and executed a scheme to defraud the PPP and EIDL programs. The defendant submitted 5 PPP applications to a financial institution, each containing false statements, false representations, or false certifications. For instance, these applications contained false and fabricated gross figures and false certifications that the businesses were in operation on February 15, 2020. The defendant further executed a scheme to defraud the EIDL program, which was intended to give forgivable loans to small businesses. Mitchell submitted several fraudulent EIDL applications to the Small Business Administration for businesses that had no customers, employees, or business activity, and in those applications, she made false statements, representations, and false certifications.

Mitchell pleaded guilty to conspiracy to commit mail fraud and wire fraud and is scheduled to be sentenced on August 23. She faces a maximum penalty of 30 years in prison. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

Jessica D. Aber, U.S. Attorney for the Eastern District of Virginia; Greg L. Torbenson, Acting Inspector in Charge of the U.S. Postal Inspection Service's Washington Division; Troy Springer, Acting Special Agent in Charge of the Washington, DC Regional Office, U.S. Department of Labor, Office of Inspector General; and Joseph V. Cuffari, Inspector General for the Department of Homeland Security, made the announcement after U.S. Magistrate Judge Mark R. Colombell accepted the plea.

Significant assistance was provided by the Virginia Department of Motor Vehicle, Virginia Employment Commission and the Virginia Department of Corrections.

Assistant U.S. Attorneys Kashan K. Pathan and Carla Jordan-Detamore are prosecuting the case.

A copy of this press release is located on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 3:22-cr-44.

Topic(s):

Coronavirus

Financial Fraud

Component(s):

[USAO - Virginia, Eastern](#)

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