

Texas Workforce Press Release

FOR IMMEDIATE RELEASE

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MEDIA CONTACT: Lisa Givens

PHONE: (512) 463-8556

Two Individuals Sentenced for Unemployment Insurance Fraud

TWC assists interagency investigation

AUSTIN – Two women from Cuero, Texas were sentenced Monday to federal prison terms for defrauding the state’s Unemployment Insurance (UI) benefits program, the Texas Workforce Commission (TWC) announced today. The two pled guilty to the charges on September 6, 2011. The sentences follow an investigation conducted by the U.S. Department of Labor’s Office of Inspector General, the U.S. Postal Inspection Service, the Cuero Police Department and TWC.

“TWC is committed to protecting the integrity of the UI system so that it can effectively serve those who lose their jobs through no fault of their own,” said TWC Chairman Tom Pauken. “As a result of this interagency effort, we have demonstrated our commitment to catch and prosecute those who would defraud the taxpayers of Texas.”

Andrea Mims was sentenced to 21 months in federal prison and ordered to pay \$110,400 in restitution, while Lea Ann Battles received 27 months and was ordered to pay \$96,222 in restitution. Each also will serve an additional three-year term of supervised release after completing their prison term. Mims’ husband, Frederick Mims, also pled guilty to mail fraud in a related scheme on August 1, 2011 and already has been sentenced to six months in federal custody, three years of supervised release and was ordered to pay \$25,317 in restitution.

Between October 2009 and June 2011, Mims and Battles received approximately \$96,222 in UI benefits by naming fictitious employers and using the names and Social Security numbers of other individuals. As a result, debit cards were sent to addresses controlled by Mims and Battles. Mims received another \$14,178 in fraudulent UI benefit payments under her own name.

TWC’s Regulatory Integrity Division (RID) is charged with detecting and preventing fraud, waste and abuse. RID enforces all regulatory statutes within the jurisdiction of the agency, including Tax, Workforce, Trade Act, Skills Development Fund, Self-Sufficiency Fund, Child Care Development Fund and all other programs that TWC administers. Prevention, detection, and elimination of fraud, waste and abuse in the UI benefits program are top priorities; ensuring funds are available exclusively to those who meet the eligibility requirements.

TWC administers UI benefits to workers who become unemployed through no fault of their own and are actively seeking work. TWC regularly cross-matches UI claims with employer wage reports and other databases to detect possible UI fraud. If TWC discovers that claimants have received UI benefits through fraudulent applications, the agency seeks immediate reimbursement of overpayments. Examples of UI fraud include giving false information and failure to report self-employment or other earnings while receiving UI benefits.

To report suspected UI fraud, call the TWC Fraud and Program Abuse Hotline at 800-252-3642. For updates on fraud convictions, visit TWC’s website at www.twc.state.tx.us/ui/bnfts/prosecutiondispo.html.

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in coordination with its network of local workforce development boards, call (512) 463-8942 or visit www.texasworkforce.org.