

Texas Workforce Press Release

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MEDIA CONTACT: Larry Jones
PHONE: (512) 463-8556

Two Convicted in Unemployment Insurance Scheme

TWC's Program Integrity and Regulatory Enforcement Divisions Aggressively Pursue Fraud

AUSTIN – The Texas Workforce Commission (TWC), in cooperation with U.S. Attorney Don DeGabrielle, announced that Denetra McElroy, 42, of Houston and Lajauna Destin, 38, formerly of Houston and currently a resident of Oviedo, Fla., were convicted of conspiring together with John Slaughter, a former TWC employee, to defraud TWC and the U.S. Department of Labor (DOL) by receiving Unemployment Insurance (UI) benefits to which they were not legally entitled.

Southern District Judge Melinda Harmon also convicted the women of multiple counts of mail fraud arising from their role in the fraud scheme, which amounts to hundreds of thousands of dollars in UI benefits.

Slaughter was a claims taker for TWC who, according to testimony, was paid \$100 by each of the two women defendants for each filed false claim for UI benefits for themselves, their friends and relatives. He entered false employment information on the TWC computer system to qualify claimants who were not eligible for benefits. Slaughter previously pleaded guilty to the conspiracy charge and testified as a witness for the United States during trial. The scheme, which operated between 1996 through 2001, involved more than 200 false claims, resulting in a loss in excess of \$500,000.

McElroy was convicted of conspiracy and six counts of mail fraud, and faces five years in federal prison without parole and a \$250,000 fine for each of the seven counts of conviction. Destin was convicted of conspiracy and two counts of mail fraud, and faces a maximum sentence of five years imprisonment and a \$250,000 fine for each of the three counts of conviction. Sentencing is scheduled for July 7, 2006.

This investigation was conducted jointly by TWC's Program Integrity Division Office of Investigations, TWC's Regulatory Enforcement Division and DOL's Office of Inspector General. The case was prosecuted by Assistant U.S. Attorney Cedric L. Joubert.

TWC's Regulatory Enforcement Division was created in 2005 specifically to focus on detecting and preventing fraud, waste and abuse, making the UI program its top priority and ensuring that only eligible Texans receive unemployment benefits. The division works in concert with TWC's Program Integrity Division to conduct investigations into fraud, waste and abuse of the UI system.

For more information, contact TWC Communications Director Larry Jones at (512) 463-8556 or larry.jones@twc.state.tx.us, or U.S. Attorney's Office Media Coordinator John Yembrich (713) 567-9388 or usatty.txs@usdoj.gov.

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 unison with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.

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