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PRESS RELEASE

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Florida Man Sentenced to 15 Months in Prison For Pension Benefit Fraud Scheme

Defendant Stole Monthly Payments from Pension Benefit Guaranty Corporation

WASHINGTON – Kessey Durand, 28, of Miami, Florida, was sentenced today to 15 months in prison on a federal wire fraud charge stemming from his scheme attempting to steal over \$107,000 in pension benefit payments intended for at least 21 victims/pension recipients.

The announcement was made by U.S. Attorney Jessie K. Liu and Robert A. Westbrooks, Inspector General for the Pension Benefit Guaranty Corporation (PBGC).

Durand pleaded guilty on March 22, 2018, in the U.S. District Court for the District of Columbia, to one count of wire fraud. He was sentenced by the Honorable Chief Judge Beryl A. Howell. Durand was also ordered to pay a restitution judgment in the amount of \$44,299.44 to PBGC, which had reimbursed the pension recipients. Durand additionally agreed to forfeit \$10,964.64 in previously seized funds and to pay a forfeiture money judgment in the amount of \$39,663.45. Following his prison term, he will serve a 36-month term of supervised release, including 100 hours of community service.

According to a statement of offense and related conduct acknowledged by Durand, he worked at PBGC for less than two months in January and February 2018. PBGC, a federal corporation within the U.S. Department of Labor, provides pension benefits to participants in private-sector defined benefit pension plans after those plans are terminated. Through a web interface, pension recipients can maintain and update the electronic direct deposit (EDD) information for their pension benefits.

From January to June 2018, Durand executed his wire fraud scheme. Using personal identifying information he obtained while working at PBGC, Durand changed or attempted to

change the payment information for at least 21 pension recipients – re-directing the pension payments to Metabank accounts Durand controlled. Durand had also used the victims’ personal information to create those fraudulent Metabank accounts. Soon after the payments, Durand cashed out the stolen funds.

For 10 victims, between January and May 2018, Durand succeeded in obtaining payments totaling \$29,663.45. He attempted to divert a total of over \$107,000, but for other victims, the diverted payments did not go through.

The case was investigated by Curtis Flood, Senior Special Agent, PBGC’s Office of Inspector General.

The case was prosecuted by former Special Assistant U.S. Attorney W. Joss Nichols (of the Department of Justice’s Computer Crime and Intellectual Property Section) with assistance from Paralegal Specialist Diane Brashears.

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