



U.S. Department of Justice

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## **PRESS RELEASE**

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### **Former District Government Employee Sentenced to 84 Months in Prison for Scheme Involving Over \$1.4 Million in Fraudulently Issued Benefits Accepted Cash Kickbacks and Sexual Favors from Female Beneficiaries in Exchange for Authorizing Fraudulent Underpayments**

WASHINGTON – Demetrius McMillan, 48, a former employee of the District of Columbia Department of Human Services (DHS), was sentenced today to 84 months in prison for his involvement in a scheme in which he defrauded the agency of more than \$1.4 million by steering inflated food stamp and temporary assistance benefits to people who were entitled to receive them.

The announcement was made by U.S. Attorney Jessie K. Liu, Acting Special Agent in Charge, Criminal Division, Washington Field Office Charles A. Dayoub, District of Columbia Inspector General Daniel W. Lucas, and Special Agent in Charge Maureen R. Dixon of the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG), for the region that includes Washington, D.C.

McMillan, of Washington, D.C., pled guilty in the U.S. District Court for the District of Columbia in March 2019. He was sentenced by the Honorable Senior Judge Paul L. Friedman. The judge also ordered McMillan to pay \$1,456,985 in restitution and pay an additional \$150,000 forfeiture money judgement. Upon completion of his prison term, McMillan will be placed on three years of supervised release.

McMillan's scheme targeted and defrauded the Supplemental Nutrition Assistance Program (SNAP), formerly known as the food stamps program, and Temporary Assistance for Needy Families (TANF), which consists of cash benefits. Benefits in both programs were provided to clients via electronic benefit cards.

According to the government's evidence, McMillan worked as a social service representative at a DHS service center in Southeast Washington. Social service representatives reviewed and processed applications for SNAP and TANF payments, as well as "underpayments." Underpayments occurred when DHS clients did not receive the SNAP or TANF payments for which they were eligible. These could be caused by errors by DHS or by the clients. Social service representatives were permitted to authorize up to \$2,000 in underpayments at a time without supervisory approval. As part of his work, McMillan also had access to the computer system used by DHS to manage services, including the creation of underpayments.

Between April 25, 2018, and July 25, 2018, McMillan used his access to the computer system to authorize approximately 779 fraudulent SNAP and TANF underpayments for approximately 305 beneficiaries, totaling approximately \$1,456,985. According to the plea documents, he authorized these underpayments knowing that the beneficiaries were not entitled to them. In exchange for authorizing these fraudulent underpayments, he solicited more than \$380,000 in cash kickbacks from the beneficiaries, and accepted at least \$150,000 in cash kickbacks. McMillan also solicited and accepted sexual favors from some of the beneficiaries in exchange for issuing fraudulent underpayments.

In order to avoid detection, McMillan intentionally ensured that each fraudulent underpayment transaction fell below the \$2,000 threshold for which supervisory approval was required. The average fraudulent SNAP underpayment he created was approximately \$1,757, and the average fraudulent TANF underpayment was \$1,986.

McMillan recruited beneficiaries to the scheme by soliciting D.C. DHS clients who were eligible for SNAP and TANF benefits and with whom he had a previous working relationship. He also used third parties to recruit beneficiaries to the scheme. For the most part, the agreement was that in exchange for authorizing fraudulent SNAP and TANF underpayments in a particular beneficiary's name, McMillan would get approximately \$1,000 out of each fraudulent TANF underpayment he authorized for that beneficiary.

All told, 296 of the 305 beneficiaries for whom Defendant McMillan authorized fraudulent underpayments were women. In addition to soliciting and accepting cash kickbacks from these female beneficiaries, McMillan engaged in texting of a sexual nature with at least 50 of them, frequently soliciting sexual favors in exchange for authorizing fraudulent underpayments. In his guilty plea, McMillan admitted that he accepted sexual favors from 10 to 20 female beneficiaries in exchange for authorizing fraudulent underpayments.

In announcing the sentence, U.S. Attorney Liu, Acting Special Agent in Charge Dayoub, District of Columbia Inspector General Lucas, and Special Agent in Charge Dixon of U.S. HHS-OIG, commended the work of those who investigated the case from the FBI's Washington Field Office, the District of Columbia Office of the Inspector General, and the U.S. Department of Health and Human Services Office of Inspector General. They also expressed appreciation for the work of Assistant U.S. Attorney Emily A. Miller who prosecuted the case and Paralegal Specialist Aisha Keys who assisted.

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