



**U.S. Department of Justice**

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Eastern District of Michigan**

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**For Immediate Release:**

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**EVENT: Guilty Plea**

**Defendant: Robert Lee Ardis**

**FERNDALE RESIDENT PLEADS GUILTY  
TO UNEMPLOYMENT INSURANCE FRAUD**

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A 56-year-old resident of Ferndale, Michigan, pled guilty to one count of mail fraud in an Information charging him with defrauding the State of Michigan Unemployment Insurance Agency, United States Attorney Stephen J. Murphy announced today.

Pleading guilty before U.S. District Judge Robert H. Cleland was Robert Lee Ardis, who has remained in custody since his arrest on November 21, 2007 on the fraud charges.

The fraud stems from false employee unemployment insurance claims Ardis submitted to the Michigan Unemployment Insurance Agency beginning in November 2004 and continuing periodically until the time of his arrest last November. Ardis submitted claims on behalf of fictitious employees or employees who had done no, or little, work for employer entities controlled by Ardis such as Ardis Landscape & Design and Advance Corrugated Packing. Ardis would file quarterly earnings reports with the Michigan Unemployment Insurance Agency (MUIA) for these employees purporting to be full time employees for the companies. The reports included the name, social security number, and wages paid to each of the employees which information the MUIA uses to determine the amount of jobless benefits workers may

receive should they become unemployed. The MUIA would issue unemployment insurance benefit checks and mail them to the addresses provided on the claims. These were often mailboxes at apartment buildings in Detroit. Ardis would then retrieve the checks from the mailboxes and cash them. The fraud totaled to approximately \$136,000.

“The Federal and State insurance systems to aid the unemployed are designed to provide benefits to those who are out of work due to no fault of their own” said U.S. Attorney Murphy. “The purpose of the program is to lessen the effects of unemployment during these difficult economic times through cash payments made directly to laid-off workers, insuring that at least a significant portion of the necessities of life can be met on a week-to-week basis while the worker seeks employment. Thefts, such as the fraudulent means used in this case, are inexcusable. Our office will continue to address illegal conduct through vigilant oversight and prosecution. I commend the state and federal investigators as well as the lawyers in our office who worked so hard to present this case.”

In Michigan, the unemployment insurance system is administered for the Federal government by the Michigan Unemployment Insurance Agency. The U.S. Department of Labor funds all administrative costs, including salaries, office expenses, and computer equipment utilized. The unemployment insurance benefits are financed by taxes on employers and supplemented by federal funds appropriated by the U.S. Department of Labor when State benefit funds are exhausted.

Mr. Ardis' sentence has been scheduled for June 5, 2008. He will remain in custody pending his sentence.

The case of this case has been conducted jointly by Investigators of the State of Michigan Unemployment Insurance Agency and the U.S. Department of Labor's Office of Inspector General. The case has been prosecuted by Assistant U.S. Attorney Ross I. MacKenzie.