



U.S. Department of Justice

Matthew M. Graves
*United States Attorney for the
District of Columbia*
Patrick Henry Building
601 D Street N.W.
Washington, D.C. 20530

PRESS RELEASE

FOR IMMEDIATE RELEASE

Tuesday, October 4, 2022

For Information Contact:

Public Affairs

(202) 252-6933

<http://www.justice.gov/usao/dc/index.html>

Former Employee of D.C. Project Empowerment Program Indicted on Fraud and Other Federal Charges Defendant Allegedly Embezzled Funds from Government Program

WASHINGTON – A former employee of the D.C. Department of Employment Services' Project Empowerment Program was arrested today after a grand jury indicted her for allegedly embezzling funds between May 2015 and April 2018.

Rhayda Barnes Thomas, 51, of Washington, D.C., was indicted on Sept. 29, 2022, by a grand jury in the U.S. District Court for the District of Columbia. She was charged with five counts of wire fraud, three counts of bank fraud, seven counts of aggravated identity theft, and one count of first-degree fraud.

The announcement was made by U.S. Attorney Matthew M. Graves, District of Columbia Inspector General Daniel W. Lucas, and Inspector in Charge Damon E. Wood, Washington Division, U.S. Postal Inspection Service.

Barnes Thomas made her initial court appearance this afternoon and was released pending further proceedings. In court today, the government stated that the defendant's conduct is believed to have caused between approximately \$314,000 and \$350,000 in losses.

According to the indictment, the D.C. government's Project Empowerment Program provides employment services to D.C. residents who had multiple barriers to employment, such as a history of substance abuse, a history of job cycling (not maintaining steady employment), and either a felony conviction or previous incarceration. One phase of the program consists of subsidized employment, which involves the D.C. government paying the wages of participants while they work at worksites. During this phase, worksites were responsible for entering participants' work hours into an electronic system used by Project Empowerment. In turn, the

government would then have payments corresponding with those hours issued to accounts associated with participants, usually in the form of pre-paid bank debit cards.

According to the indictment, Barnes Thomas was a Project Empowerment Program participant beginning in August 2013 and ultimately got hired by the program as a Program Support Assistant in February 2014. From May 2015 through April 2018, she is alleged to have embezzled funds by reviving 16 former Project Empowerment participants' profiles and modifying entries in a database to falsely show them as working for a non-profit organization, which was not true. She also is alleged to have used the name of a former employee from the non-profit organization to enter and approve time in the database showing individuals as working when they were not. In addition, the indictment alleges that she ordered or caused to be ordered replacement and new prepaid debit cards on behalf of the former Project Empowerment participants whose profiles she fraudulently revived. As a result of her conduct, according to the indictment, she caused the D.C. government to request that Wells Fargo Bank load funds onto those prepaid debit cards, which she controlled.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws and every defendant is presumed innocent until, and unless, proven guilty.

This case is being investigated by the D.C. Office of the Inspector General, the U.S. Postal Inspection Service, and the Criminal Investigations Unit of the U.S. Attorney's Office for the District of Columbia. It is being prosecuted by Assistant U.S. Attorney Kondi J. Kleinman.

22-333

##