

**Department of Justice**  
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District of Montana

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**Philipsburg woman sentenced to prison for Social Security, SNAP, and Medicaid fraud totaling more than \$140,000**

MISSOULA — A Philipsburg woman who admitted to lying for more than 10 years about her income and resources to receive more Social Security Administration (SSA) benefits and other federal aid than she was qualified to receive was sentenced today to one year and one day in prison, followed by three years of supervised release, and was ordered to pay full restitution of \$142,542, U.S. Attorney Jesse Laslovich said.

Virginia Kathleen Pearson, 56, pleaded guilty in April to false statements to a government agency.

U.S. District Judge Donald W. Molloy presided. Judge Molloy remanded Pearson into custody.

“Pearson knew she was obligated to truthfully report her income and resources but instead lied for more than a decade to boost her benefits. Supplemental Security Income and Medicaid are federal programs intended to help those truly in need and to ensure they get adequate care when they cannot afford it. Pearson’s conduct took assistance from others who were without options. We will continue to safeguard federal benefits and will investigate and prosecute those who try to exploit these programs. I want to thank Assistant U.S. Attorney Karla E. Painter, the Social Security Administration’s Office of Inspector General and the Montana Department of Health and Human Services for their work on this case,” U.S. Attorney Laslovich said.

“This sentence holds Ms. Pearson accountable for defrauding government programs. As part of her scheme, she abused the Supplemental Security Income program, the needs-based safety net for the most vulnerable among us by falsifying her true circumstances and causing SSA to improperly pay her over \$101,000,” said Gail S. Ennis, Inspector General for the Social Security Administration. “My office will continue to pursue those who exploit SSA programs for personal gain. I thank our law enforcement partners for their support in this investigation and the U.S. Attorney’s Office for prosecuting this case.”

The government alleged in court documents that in 2006, Pearson applied for Social Security Income (SSI) from the SSA and was approved for benefits in 2008. Pearson was informed of her obligation to report any change to her household income, resources and household composition. Pearson had advised she lived in a home with her husband, Doyle Pearson, and, as such, his income and resources were considered in determining the amount of SSI for which Pearson was eligible. One month after receiving her first SSA payment, Pearson reported to SSA that her husband had moved out of the home. Pearson’s SSI benefits increased significantly after SSA removed Doyle Pearson’s contributions and re-calculated Pearson’s benefits. Further, between November 2008 and December 2019, Pearson received nine cost of living adjustments and two change in payment letters detailing her obligation to report changes to her income, resources and household composition.

In August 2019, Doyle Pearson applied for Social Security retirement benefits, reported he was married and provided the same address where Pearson stated she had lived alone since September 2008.

In response, SSA conducted a redetermination and Pearson again represented she lived alone, rented a home, had one savings account and co-owned one vehicle. Pearson attested that Doyle Pearson lived at another address and that they had been separated for 15 years.

An investigation determined that Pearson's statements were false and that the couple lived together and co-owned the house. Pearson also had unreported bank accounts and additional vehicles that were titled in her name or jointly with her husband.

Pearson made similar misrepresentations to Montana Public Assistance. In total, Pearson fraudulently obtained \$101,136 from SSA, \$23,116 from the Montana Department of Health and Human Services, which distributes Supplement Nutrition Assistance Program (SNAP) benefits, and \$18,203 from Medicaid.

Assistant U.S. Attorney Karla E. Painter prosecuted the case, which was investigated by the SSA Office of Inspector General and Montana Department of Health and Human Services.

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