

Department of Justice
U.S. Attorney's Office
District of Colorado

FOR IMMEDIATE RELEASE

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Weld County Woman Sentenced to Federal Prison for Stealing Over \$180,000 From the United States Postal Service Through Hundreds of False Insurance Claims

DENVER – Lorraine Kimmel, age 48, of Weld County, Colorado, was sentenced today by Senior U.S. District Court Judge Wiley Y. Daniel to serve 15 months in federal prison, followed by 3 years on supervised release for defrauding the U.S. Postal Service (USPS) by mail fraud, U.S. Attorney Jason Dunn and U.S. Postal Service Office of Inspector General Special Agent in Charge of the Western Area Field Office John D. Masters announced today. The defendant was also ordered to pay \$188,575 in restitution. Kimmel appeared at the sentencing hearing free on bond, and was ordered to report to a Bureau of Prison facility once one is designated.

Kimmel was charged by Information on August 29, 2018. She pled guilty to mail fraud on November 8, 2018. She was sentenced today, May 7, 2019.

According to court documents, including the stipulated facts contained in the plea agreement, between October 2014 and July 2018, the defendant engaged in a complex scheme to defraud the USPS by filing 770 false insurance claims where she claimed that the contents of parcels she had mailed were damaged.

The defendant initiated each false claim by mailing as many as ten or more packages per week from her local post office in Kersey, Colorado, or a larger, nearby post office in Greeley. She typically claimed that the items she was shipping were purchased by customers and were damaged in transit. In fact, both of those facts were false. The recipients listed on most of the parcels were either fictitious individuals or entities that had never ordered anything from Kimmel or her business. She then purchased insurance on each of those packages, and attempted to defeat detection by using variants on addresses and email addresses for each of those packages.

During the three year period, Kimmel filed insurance claims with the U.S. Postal Service totaling \$227,005, and, of those claims, she was paid \$188,575. She used this scheme to obtain tax-free money to finance her personal expenses.

“The Postal Service plays a very important role in our country,” said U.S. Attorney Jason Dunn. “A fraud upon it is a fraud upon all of us that use the USPS and pay for its services.”

“One of the missions of the U.S. Postal Service Office of Inspector General (OIG) is to help safeguard the USPS from external crimes, such as fraud. OIG Special Agents vigorously investigate these cases,” said Special Agent-in-Charge John D. Masters. “This sentencing serves as a reminder and deterrent to anyone thinking this type of behavior is acceptable. Such actions come with consequences. The OIG’s efforts, with the support of the United States Attorney’s Office, District of Colorado, help maintain the integrity of the Postal Service.”

This case was investigated by the U.S. Postal Service Office of the Inspector General. The defendant was prosecuted by Assistant U.S. Attorney Hetal Doshi.

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