

PRESS RELEASE

Leader sent to prison in unemployment insurance fraud scam

Thursday, April 18, 2024

For Immediate Release

U.S. Attorney's Office, Southern District of Texas

McALLEN, Texas – A 41-year-old man from Edinburg is the final man to be ordered to prison for fraudulently obtaining unemployment benefits from the Department of Labor (DOL), announced U.S. Attorney Alamdar S. Hamdani.

Jose Luis Gonzalez pleaded guilty March 21, 2023.

Chief U.S. District Judge Randy Crane has now ordered him to serve a total of 74 months in federal prison to be immediately followed by three years of supervised release. He was also ordered to pay \$531,161 in restitution. At the hearing, the court heard additional evidence and testimony that described how Gonzalez kept this fraud going on for a decade and caused substantial loss to the Department of Labor (DOL) and Texas Workforce Commission (TWC). The court also heard how he kept the money from the citizens in our community who qualified for the benefits and needed those benefits.

“Gonzalez and others committed substantial fraud against the taxpayers of Texas,” said Hamdani. “By creating fictitious companies, forging documents and ultimately cheating the TWC, Gonzalez kept money from people who truly needed it. Thanks to the work of law enforcement, Gonzalez will have to trade his fake companies for a real prison cell.”

Beginning in August 2008, Gonzalez devised a scheme in which he filed fraudulent unemployment insurance claims with the Texas Workforce Commission (TWC). He created and provided several fraudulent documents to file for unemployment benefits.

He then advertised his scheme on Facebook where he recruited and assisted others to do the same. Several others paid Gonzalez to assist them in making fraudulent employment benefits claims.

Specifically, Gonzalez would create a fictitious employer account with the TWC to include an employer name, address and similar information. The address he created was his address or an address he controlled. TWC would mail a notice to the fictitious employer at that address, and Gonzalez would pretend to be the employer and respond to the TWC letter confirming the fictitious employment of the applicant. This caused TWC to generate and fund a debit card and mail it to a separate address Gonzalez or another individual controlled.

Ultimately, the scheme resulted in approximately 50 fraudulent unemployment claims totaling \$531,161.

Nine others had also pleaded guilty and have already been sentenced.

Gonzalez has been and will remain in custody pending transfer to a U.S. Bureau of Prisons facility to be determined in the near future.

DOL - Office of the Inspector General conducted the investigation with the assistance of the FBI. Assistant U.S. Attorney (AUSA) Sarina S. DiPiazza prosecuted the case along with former AUSAs Steven Belt and Michael Mitchell.

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