

PRESS RELEASE

Romanian Citizen Arrested and Charged in \$5 Million Covid Relief Fraud

Thursday, March 2, 2023

For Immediate Release

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

SAN DIEGO – Constantin Sandu of Romania, a suspected organized crime figure, was arrested and charged in a federal complaint today with masterminding a scheme to steal more than \$5 million in California unemployment insurance benefits intended to help workers impacted by the pandemic.

According to the complaint, Sandu conspired with 214 unnamed Romanian co-conspirators across California and in Romania to fraudulently obtain millions of dollars in California unemployment insurance benefits by fabricating documents, creating fictitious accounts and businesses, and filing bogus claims with California's Economic Development Department, which administers the state's unemployment benefits.

“According to the complaint, this defendant presided over a vast network of international swindlers to exploit a program meant to help struggling California workers survive the pandemic,” said U.S. Attorney Randy Grossman. “The pandemic may be waning, but we are still aggressively investigating allegations of COVID relief fraud. The scheme alleged in this case diverted millions of dollars from those who truly needed it.”

Grossman thanked the prosecution team and the investigating agencies for their excellent work on this case.

Sandu was arrested by FBI San Diego on March 1, 2023, at the Imperial Beach Border Patrol Station. He is scheduled to make his first appearance in federal court this afternoon before U.S. Magistrate Judge Allison H. Goddard at 2 p.m.

"FBI San Diego would like to thank our local, state, and federal law enforcement partners for addressing this problem in a unified effort," said Special Agent in Charge Stacey Moy of the FBI San Diego Field Office. "These benefits were offered with the intention of helping struggling families stay afloat and were a critical lifeline for many. Sandu's alleged greed diverted those funds for his own personal gain. The FBI and our partners will continue to identify those who commit pandemic-related fraud and hold them accountable for their crimes."

"The San Diego Police Department is committed to investigating and solving crimes committed by organized crime rings. The arrest of Constantin "Bobi" Sandu is the culmination of a yearlong investigation by Economic Crimes Unit detectives and multiple law enforcement partners. We will continue to collaborate with these partners to arrest the over 200 suspects involved in this investigation."

"IRS Criminal Investigation and our law enforcement partners will continue to investigate individuals and organizations who target relief programs as a way to steal funds from critical programs," said Special Agent in Charge Tyler Hatcher of the Los Angeles Field Office. "It is especially egregious when criminal organizations think they can profit off of the United States and steal funds that are intended to aid citizens during times of need. IRS-CI is committed to aggressively investigating these crimes and bringing those criminal organizations to justice."

The complaint said that beginning in fall of 2020 and continuing until late summer of 2022, Sandu and hundreds of unnamed co-conspirators learned and developed a process to receive the most benefits possible by using fraudulent identifications, falsified utility bills, falsified earnings statements, falsified W2s, fraudulent Health Insurance cards and non-existent companies. Additionally, Sandu learned to "backdate" or modify the EDD applications with an earlier unemployment start date to generate even bigger pay days.

Co-conspirators across California would share information, knowledge and resources with Sandu, for Sandu to file claims for regular unemployment insurance and expanded pandemic unemployment insurance benefits from California EDD. Co-conspirators communicated with Sandu via Facebook or other electronic means or met with him in person to provide their Personal Identifying Information, known as PII.

According to the California Franchise Tax Board, none of the companies in the various W2's submitted for conspirators' EDD applications was real. According to Blue Cross Blue Shield, none of the member identification numbers submitted for conspirators EDD applications was real.

In total, Sandu conspired with unnamed co-conspirators to fraudulently obtain no less than \$5,207,687.00 in California Unemployment Insurance benefits.

*The charges and allegations contained in an indictment or complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.

DEFENDANT

Case Number: 23-mj-00697-AHG

Constantin Sandu,
aka Bobi Sandu, aka Ionut Mihai Age: 33 Transient, Romanian

SUMMARY OF CHARGES

Title 18, U.S.C. § 1349 and 1343 - Conspiracy to Commit Wire Fraud; U.S.C. § 981(a)(1)(C) Criminal Forfeitures; Title 28, U.S.C. § 2461(c) Civil Forfeitures

Maximum penalty: Thirty years in prison, \$1 million fine

AGENCIES

Federal Bureau of Investigation

San Diego Police Department Economic Crimes Unit

Internal Revenue Service

California Employment Development Department Investigative Division

U.S. Department of Homeland Security

Department of Labor Office of Investigator General

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Component

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