



Department of Justice

Office of the United States Attorney

Eastern District of California

U.S. Attorney McGregor W. Scott

FOR IMMEDIATE RELEASE

Tuesday, November 19, 2019

www.justice.gov/edca

Docket #: 2:16-cr-198, 2:16-cr-199 JAM

CONTACT: LAUREN HORWOOD

PHONE: 916-554-2706

usacae.edcapress@usdoj.gov

Stockton Woman Sentenced for Two Separate Fraud Conspiracies

SACRAMENTO, Calif. — Kioni M. Dogan, 39, of Stockton, was sentenced today to four years in prison for criminal conspiracies to submit false claims for federal income tax refunds and to commit mail fraud in connection with California state unemployment insurance benefits, U.S. Attorney McGregor W. Scott announced.

In sentencing, U.S. District Judge John A. Mendez said Dogan’s criminal conduct was “a slap in the face to law abiding citizens” who comply with our tax system and who turn to unemployment benefits in times of real need.

According to court documents, for over five years Dogan was the driving force in two schemes seeking over \$2 million from the California and federal governments through fraud.

U.S. Attorney Scott stated: “This defendant ran overlapping fraud schemes targeting federal and state government agencies to steal over \$2.2 million. Today’s sentence reflects the extensive criminal conduct, provides just punishment, and protects the public from further crimes of this defendant.”

According to court documents, from May 2011 through April 2012, Dogan filed at least 98 fraudulent tax returns \$940,000 in refunds, of which approximately \$708,188 was paid out by the IRS. Dogan, co-defendant Antonia Brasley, and others obtained personal identifying information from family, friends, and others, and then submitted returns containing false statements regarding income, withholding, and losses.

According to court documents, from 2010 through 2015, Dogan filed over 100 fraudulent unemployment insurance claims with the California Employment Development Department

(EDD) seeking \$1.29 million using fictitious businesses. Dogan created fictitious employers with EDD and then caused the submission of information for employees of the fictitious entities. Dogan subsequently filed unemployment claims in the names of the fake employees. Co-defendants Gloria Harris and Lavonda Bailey are charged with collecting the fraudulent benefits, both in their own names and in the names of other fake employees. Approximately \$972,319 was paid out by EDD.

“Kioni Dogan defrauded the California Employment Development Department by establishing fictitious businesses to obtain unemployment insurance benefits in the names of identity theft victims and her co-conspirators who were not entitled to such benefits. We will continue to work with our law enforcement partners and state workforce agencies to protect the integrity of unemployment insurance benefit programs,” said Quentin Heiden, Special Agent-in-Charge, Los Angeles Region, U.S. Department of Labor Office of Inspector General.

The unemployment fraud case is the product of an investigation by the U.S. Department of Labor, the California Employment Development Department, and the U.S. Postal Inspection Service. The tax fraud case was the product of an investigation by IRS Criminal Investigation. Assistant U.S. Attorney Christopher S. Hales is prosecuting both cases.

On Sept. 10, Brasley was sentenced to five years’ probation and ordered to pay \$33,562 in restitution. Harris pleaded guilty to the charges on Nov. 15 and is scheduled to be sentenced on Feb. 14, 2020.

The charges against Bailey remain pending. The charges are only allegations; she is presumed innocent until and unless proven guilty beyond a reasonable doubt.

###