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Three Indicted and Arrested for Covid-Related Unemployment Insurance Fraud Scheme

SACRAMENTO, Calif. — In a coordinated arrest by several law enforcement agencies, three defendants were arrested today for their roles in a Covid-fraud scheme targeting the California Employment Development Department (EDD), U.S. Attorney Eric Grant announced.

Yolanda Butler, 49, was arrested in Oklahoma, and her son Legerrius Holt, 28, was arrested in Colorado. Both are formerly of Stockton. The third defendant, Quamaine Massey, 33, formerly of North Carolina, was arrested in Ohio. On Aug. 7, 2025, a federal grand jury returned a four-count indictment charging the defendants with mail fraud; Butler and Holt are additionally charged with aggravated identity theft.

According to court documents, between April 2020 and June 2021, the defendants perpetrated a mail fraud and identity theft scheme that targeted the Unemployment Insurance benefit program that California administers through EDD. Under the 2020 CARES Act and the Pandemic Unemployment Assistance program, EDD was responsible for administering unemployment insurance benefits for qualifying residents who could no longer find employment due to the COVID-19 pandemic. The defendants obtained the personally identifiable information (PII) of dozens of individuals and filed at least 69 fraudulent unemployment insurance benefit claims under their identities. EDD approved many of these applications and mailed benefits in the form of prepaid debit cards to

addresses under the defendants' control, including dozens to Butler and Holt's home address in Stockton and at least three to Massey's home in North Carolina.

Once received, the defendants activated the cards and spent the benefits on themselves. In total, the defendants' conduct resulted in EDD and the United States paying out more than \$1.1 million, with an intended loss of more than \$1.4 million.

This case is the product of an investigation by the U.S. Department of Labor-Office of Inspector General, the Federal Bureau of Investigation, the California Department of Corrections and Rehabilitation, the Department of Homeland Security-Office of Inspector General, and California EDD. Assistant U.S. Attorney Denise N. Yasinow is prosecuting the case.

If convicted, all defendants face a maximum statutory penalty of 20 years in prison for mail fraud, and Butler and Holt face a mandatory additional sentence of two years in prison for aggravated identity theft. The defendants also face a maximum fine of \$250,000 on each count. Any sentence, however, would be determined at the discretion of the court after consideration of any applicable statutory factors and the federal Sentencing Guidelines, which take into account a number of variables. The charges are only allegations; the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

This effort is part of a California COVID-19 Fraud Enforcement Strike Force operation, one of five interagency COVID-19 fraud strike force teams established by the U.S. Department of Justice. The California Strike Force combines law enforcement and prosecutorial resources in the Eastern and Central Districts of California and focuses on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces use prosecutor-led and data analyst-driven teams to identify and bring to justice those who stole pandemic relief funds.

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