



NEWS RELEASE

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Lancaster Man Sentenced to Nearly Seven Years in Prison for Defrauding State's Unemployment Insurance System and Tax Fraud

LOS ANGELES – A Lancaster man was sentenced today to 80 months in federal prison on fraud charges related to a scheme to defraud the state's unemployment insurance program and a related scheme to obtain fraudulent federal tax refunds.

Carl Artis, 55, was sentenced by United States District Judge George Wu, who also ordered the defendant to pay \$598,000 in restitution.

Artis pleaded guilty in February to one count of mail fraud and one count of making false claims against the United States government.

According to the plea agreement filed in the case, from at least August 2010 through August 2014, Artis operated a scheme to defraud the California Employment Development Department (EDD) of unemployment insurance benefits. To execute the scheme, Artis registered fictitious companies with the EDD, submitted false wage information for individuals whom he falsely claimed worked for these companies, and then fraudulently applied for and obtained unemployment insurance benefits in the names of these individuals.

In addition, from at least April 2011 until July 2013, Artis engaged in a scheme to defraud the Internal Revenue Service by submitting fraudulent tax returns that sought tax refunds. In the tax fraud scheme, Artis used the identities of many of the same individuals and businesses used in the EDD scheme.

Artis, who had served time in the California state prison system, used names of other prisoners to file the false claims with the EDD and the IRS.

"Today's sentencing highlights that EDD has zero tolerance for fraud against the Unemployment Insurance Program," said EDD Director Patrick W. Henning Jr. "I applaud EDD's Investigation Division, the U.S. Attorney, and our other law enforcement partners for protecting taxpayers, businesses and unemployed Californians."

The case against Artis is the result of an investigation by the California Employment Development Department, the United States Department of Labor – Office of Inspector General, and IRS - Criminal Investigation.

"Today's sentencing sends a powerful message that combating unemployment insurance fraud remains a high priority for the Office of Inspector General," stated Abel Salinas, Special Agent-in-Charge, U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations in Los Angeles. "We will continue to work with our law enforcement partners to safeguard unemployment insurance benefits from illicit enrichment schemes and conspiracies carried out against Department of Labor programs."

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