

Department of Justice

U.S. Attorney's Office

Southern District of California

FOR IMMEDIATE RELEASE

Monday, December 20, 2021

**California Employment Development Department Contract
Employee Sentenced to 25 Months for Pandemic-Related
Fraud**

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NEWS RELEASE SUMMARY – December 20, 2021

SAN DIEGO – Nyika Gomez, a San Diego resident and former contract employee with the California Employment Development Department (EDD), was sentenced in federal court to 25 months in prison and ordered to pay \$93,248 dollars in restitution in connection with a scheme to submit fraudulent pandemic unemployment insurance claims for California state prisoners.

As part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, Congress provided new unemployment benefits for those affected by the COVID-19 pandemic who would not otherwise qualify for unemployment insurance. In California, the EDD administers unemployment insurance benefits. In Arizona, benefits are administered by the Arizona Department for Economic Security (AZDES).

Gomez was sentenced on December 15. According to her plea agreement, in July 2020, Gomez devised a scheme to defraud the EDD and AZDES by submitting Pandemic Unemployment Assistance claims for prisoners and other persons who were not eligible for such assistance, including making up false claims about their employment. Gomez submitted more than \$214,344 in fraudulent claims and collected \$93,248 on those claims. Gomez arranged for the stolen benefits – paid out in the form of a debit card – to be mailed directly to her residence, or to the residence of someone working with her. Gomez returned some of the proceeds to the prison inmates by transferring money to their prison accounts and kept some of the proceeds for herself.

The charges are the product of an investigation jointly undertaken by the U.S. Department of Labor, Office of the Inspector General (DOL-OIG), the California Employment Development Department Office of Investigations (EDD OI), United States Postal Inspection Service (USPIS), and Homeland Security Investigations (HSI).

“Pandemic unemployment insurance programs are designed to support workers who are suffering financial hardship during this unprecedented time,” said Acting U.S. Attorney Randy Grossman. “This defendant was supposed to help unemployed workers. Instead, she cut a hole in their safety net, and she has been held to account for her greedy actions.” Grossman thanked the prosecution team and the state and federal investigators for their excellent work on this case.

If you think you are a victim of COVID-19 fraud, immediately report it the FBI (visit ic3.gov, tips.fbi.gov, or call 1-800-CALL-FBI or the San Diego FBI at 858-320-1800.

In addition, the public is urged to report suspected fraud schemes related to COVID-19 by calling the National Center for Disaster Fraud (NCDF) hotline (1-866-720-5721) or by e-mailing the NCDF at disaster@leo.gov.

DEFENDANTS

Case Number 20-CR-729-CAB

Nyika Gomez

Age: 31

San Diego, CA

SUMMARY OF CHARGES

Count 5: Title 18, United States Code, section 1343 (wire fraud)

Maximum penalty: Twenty years in prison; fine; penalty assessment

Count 12: Title 18, United States Code, section 1028A; (aggravated identity theft)

Maximum penalty: Two-year mandatory minimum term of imprisonment, consecutive to any term of imprisonment imposed for Counts 1 through 9.

AGENCIES

U.S. Department of Labor, Office of the Inspector General

California Employment Development Department Office of Investigations

California Department of Corrections and Rehabilitation-Investigative Services Unit

United States Postal Inspection Service

Homeland Security Investigations

Topic(s):

Health Care Fraud

Component(s):

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