

PRESS RELEASE

Former Sacramento Resident Sentenced to Nearly 5 Years in Prison for Unemployment Insurance Fraud Scheme

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For Immediate Release

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

SACRAMENTO, Calif. — Terence Aubrey Larker, 37, of Las Vegas, previously of Sacramento, was sentenced Tuesday to four years and 10 months in prison for mail fraud and aggravated identity theft in a scheme to defraud the Unemployment Insurance benefit program during the COVID-19 pandemic, U.S. Attorney Phillip A. Talbert announced.

According to court documents, beginning in April 2020, and continuing through at least October 2020, Larker perpetrated a mail fraud and identity theft scheme that targeted the Unemployment Insurance benefit program that California administers through its Employment Development Department (EDD). Under the Coronavirus Aid, Relief, and Economic Security (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. Larker obtained the personally identifiable information (PII) of more than 80 individuals and filed 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 Larker's control, including at least 24 to his home address in Sacramento. Once received in the mail, he activated the cards and spent the benefits on himself, often appearing in ATM surveillance footage taking out large amounts of cash from these cards. In total, Larker's conduct resulted in EDD and the United States paying out over \$1.1 million in fraudulent claims.

“Terence A. Larker used stolen identities to submit fraudulent unemployment insurance claims to obtain over \$1 million in benefits allocated for workers who lost their jobs as a result of the global pandemic. This sentence demonstrates the Office of Inspector General’s continued commitment to safeguard the Unemployment Insurance system,” said Quentin Heiden, Special Agent-in-Charge, Los Angeles Region, U.S. Department of Labor, Office of Inspector General.

This case was the product of an investigation by the Department of Labor-Office of Inspector General, the California Employment Development Department, the Department of Homeland Security-Office of Inspector General, and the Federal Bureau of Investigation. Assistant U.S. Attorney Denise N. Yasinow prosecuted the case.

This case was prosecuted as part of the California COVID-19 Fraud Enforcement Strike Force, one of five interagency COVID-19 fraud strike force teams established by the Department of Justice. The California Strike Force combines law enforcement and prosecutorial resources in the Eastern and Central Districts of California. The strike forces focus on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

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