

PRESS RELEASE

Former State Government Employee and Her Ex-Boyfriend Sentenced to Federal Prison for Fraudulently Obtaining COVID-19 Jobless Relief

Friday, May 9, 2025

For Immediate Release

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

LOS ANGELES – A former employee of the California Employment Development Department (EDD), which administers the state's unemployment insurance (UI) program, and her former boyfriend were sentenced today to federal prison terms for fraudulently obtaining hundreds of thousands of dollars in COVID-19 pandemic-related jobless benefits.

Phyllis Hope Stitt, 61, of Carson, was sentenced to 20 months in federal prison by United States District Judge André Birotte Jr., who also ordered her to pay \$768,958 in restitution.

Judge Birotte today also sentenced Kenneth Earl Riley, 64, of South Los Angeles, to 20 months in federal prison and ordered him to pay \$611,458 in restitution.

Stitt and Riley had been in a romantic relationship for more than 10 years at the beginning of the COVID-19 pandemic while Stitt was employed by the EDD as an employment program representative. Her job duties included determining claimant eligibility for UI benefits and performing claim processing activities.

From March 2020 to September 2021, while using the access and information available to her in her position with EDD, Stitt acquired the names, dates of birth, Social Security numbers, and other personal identifying information of victims that were used to submit fraudulent claims.

Stitt then filed fraudulent applications for UI benefits without the victims' knowledge or consent, and then increased the amount of UI benefits paid out by backdating the fraudulent requests to maximize the claims.

Stitt certified the fraudulent applications alleging that the victims had submitted their employment history and driver's license information, and she confirmed they were unemployed because of the pandemic and actively were searching for work.

Many of the victims were ineligible to receive these benefits because they were currently employed, not unemployed because of the pandemic, or were deceased at the time.

In filing the fraudulent applications, Stitt used mailing addresses to which Riley had access. Riley then used debit cards and accounts created because of these fraudulent applications. Riley then made cash withdrawals at ATMs, bank transfers and retail purchases.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

On September 15, 2022, the Attorney General selected the U.S. Attorney's Offices for the Central and Eastern Districts of California to jointly head one of the three national COVID-19 Fraud Strike Force Teams. The Department of Justice established the Strike Force to enhance existing efforts to combat and prevent COVID-19 related financial fraud. The Strike Force combines law enforcement and prosecutorial resources and focuses on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors, as well as those who committed instances of pandemic relief fraud. The Strike Force uses prosecutor-led and data analyst-driven teams to identify and bring to justice those who stole pandemic relief funds. Additional information regarding the Strike Force may be found at <https://www.justice.gov/opa/pr/justice-department-announces-covid-19-fraud-strike-force-teams>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at (866) 720-5721 or via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The United States Department of Labor Office of Inspector General, the FBI, and the California Employment Development Department Investigation Division investigated this matter.

Assistant United States Attorney Steven M. Arkow of the Major Frauds Section prosecuted case.

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Updated May 9, 2025

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Press Release Number: 25-133