

**Department of Justice**  
U.S. Attorney's Office  
Eastern District of California

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## **Guilty Plea in Scheme to Defraud the State of California of \$2.5 Million**

### **Los Angeles Man Sent Unemployment Benefits Claims to EDD for Himself and Many Others**

SACRAMENTO, Calif. — Kyn K. Naope, 41, of Sherman Oaks, pleaded guilty today to conspiracy to commit mail fraud for a scheme that submitted fraudulent unemployment benefit claim forms to the California Employment Development Department (EDD) via the U.S. mail, United States Attorney Phillip A. Talbert announced.

According to court documents, between March 2008 and February 2011, Naope and others involved in the scheme registered fictitious employers, such as "Peco Media," "Sona Entertainment," and "Money Alley," with the EDD and then recruited other individuals to pose as laid-off employees of those companies. These fake employees would then file for and collect unemployment insurance benefits based on the wages reported to EDD by the fictitious employers.

This case is the product of an investigation by the U.S. Department of Labor, Office of Inspector General and the California Employment Development Department-Criminal Investigations. Assistant U.S. Attorneys Jared C. Dolan and Matthew M. Yelovich are prosecuting the case.

The total amount of unemployment benefit checks cashed as a result of this scheme was at least \$2.5 million. Naope is the seventh individual to be convicted for participating in this fraud scheme, which was charged across three separate cases. Andre Walters of Long Beach was convicted following a jury trial in August 2016 and is scheduled to be sentenced on May 4, 2017. Kenneth Kim Parks of Pomona and Long Beach was sentenced to five years in prison. Donye Marcell Mitchell Sr., of Los Angeles, was sentenced to four years in prison. Gregory Bart Martin of Lakewood was sentenced to 18 months of probation. Michael Ray Taylor Sr., of Fontana, was sentenced to three years in prison, and Michael Ray Taylor Jr., of El Monte, is scheduled to be sentenced on May 11, 2017.

Naope is scheduled to be sentenced by U.S. District Judge Garland E. Burrell Jr. on June 16, 2017. Naope faces a maximum statutory penalty of five years in prison and a \$250,000 fine. The actual sentence, however, will 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.