

PRESS RELEASE

Inmate and Three Co-defendants Convicted in \$25 Million COVID-19 Relief Fraud

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For Immediate Release

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

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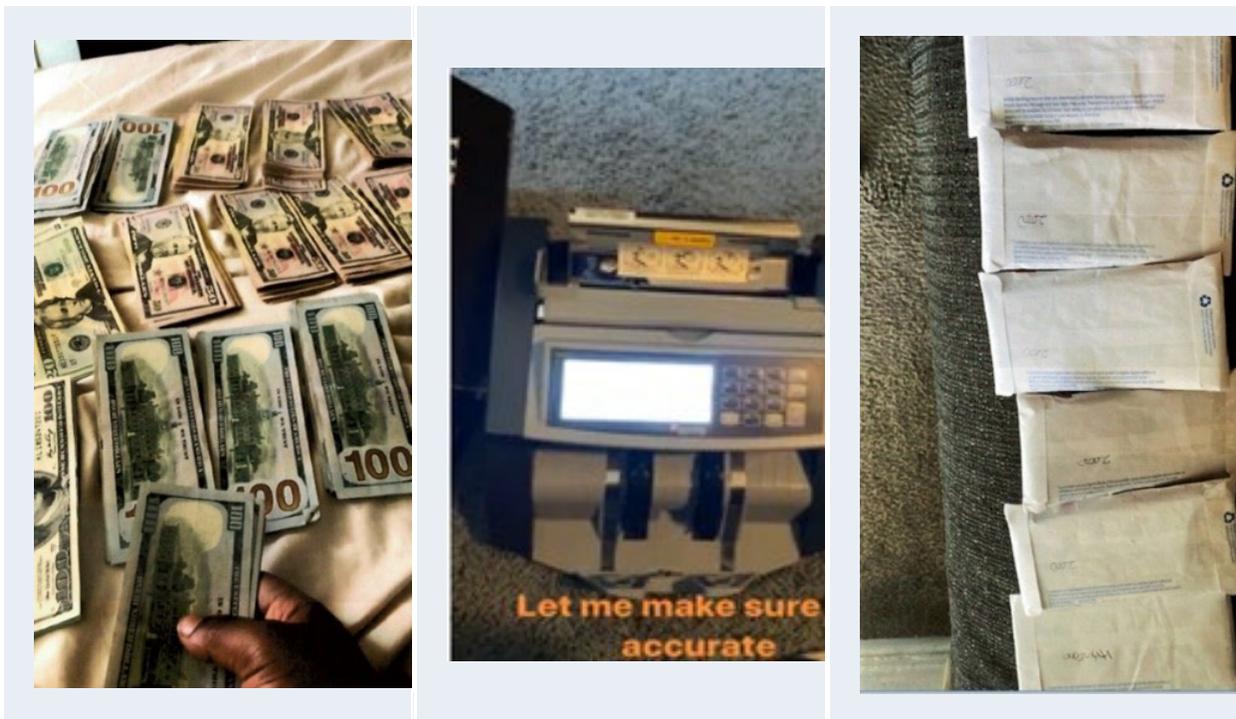
FRESNO, Calif. — Telvin Breaux, 32, an inmate at the California Correctional Institution in Tehachapi, pleaded guilty today to conspiracy and aggravated identity theft charges for leading a \$25 million fraud against the California Employment Development Department (EDD) during the COVID-19 pandemic. Three of Breaux's co-defendants, Fantasia Brown, 35, of Los Angeles, Shanice White, 29, of Hawthorne, and Holly White, 33, of Los Angeles, also pleaded guilty for their roles in the fraud. U.S. Attorney Phillip A. Talbert made the announcement.

According to court documents, Breaux and his co-defendants obtained the personal identifying information (PII) for other inmates, non-inmates, and minor children. Many of the non-inmates were patients or customers at hospitals, dentists' offices, and other businesses where one of the co-defendants worked or had a point of contact. The minor children were the defendants' own children or part of their networks of family and friends.

Breaux and his co-defendants used the stolen PII to submit fraudulent unemployment insurance claims online to EDD in these other individuals' identities. The claims contained several misrepresentations, including that the other individuals became unemployed because of the COVID-19 pandemic and were available to work. Breaux was the ringleader of the scheme. He collected the identities used for the fraudulent claims, managed the submission of the claims, and controlled the distribution of the proceeds. Breaux kept track of everything in ledgers that were seized from his prison cell.

Co-defendants Fantasia Brown and Shanice White collected and distributed some of the proceeds according to Breaux's instructions. For example, in one instance Breaux asked Fantasia Brown to open another safe deposit box for him because he was only keeping \$200,000 in each box. Fantasia Brown agreed to do so and said that she had collected so much money for Breaux that she was one of his accountants. In another instance, Shanice White told Breaux that she needed a cash counting machine because her hands were hurting from counting so much money. Breaux replied that he was expecting another \$120,000 that week. Investigators found pictures of cash proceeds and a cash counting machine on cell phones during the investigation.

Pictures of Proceeds and Cash Counting Machine Found on Cell Phones



Co-defendant Holly White created email addresses that were used for fraudulent claims in the identities of hospital patients. Breaux obtained the identities from another co-defendant whose friend worked at the hospital.

As a result of the conspiracy, over 400 fraudulent claims were submitted to EDD and the United States. The total value of the claims, if all were approved and fully paid out, was nearly \$25,000,000. Of these claims, over 290 were actually approved and \$5,400,000 was paid out. The EDD, however, froze some of that money before it could be spent.

The defendants used the proceeds to benefit themselves, family members, and friends. Their purchases included rent, luxury vehicles, trips to Las Vegas, jewelry, designer handbags, high-end furniture, and tuition.

Telvin Breaux and Fantasia Brown are scheduled to be sentenced on March 18, 2024. Shanice White is scheduled to be sentenced on Dec. 18, 2023, and Holly White is scheduled to be sentenced on Jan. 16, 2024. Each of them faces maximum statutory penalties of twenty-two years in prison and fines of \$250,000. Their actual sentences, 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 several variables.

Daryol Richmond, 32, who was an inmate at the Kern Valley State Prison in Delano, was previously convicted for his involvement in the fraud. He was sentenced to over five years in federal prison in December 2022.

The remaining defendants in the case are Cecelia Allen, 35, of Downey, Tonisha Brown, 30, of Los Angeles, and Fantesia Davis, 34, of Victorville. Their next court date is September 18, 2023. The charges against the remaining defendants are only allegations. They are presumed innocent until and unless proven guilty beyond a reasonable doubt.

This case is the product of an investigation by the Federal Bureau of Investigation, California Department of Corrections and Rehabilitation, EDD, and Department of Labor Office of Inspector General. Assistant United States Attorney Joseph Barton is prosecuting the case.

This effort is part of a California COVID-19 Fraud Enforcement Strike Force operation, one of five interagency COVID-19 fraud strike force teams established by the U.S. Department of Justice. The California Strike Force combines law enforcement and prosecutorial resources in the Eastern and Central Districts of California and focuses on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces use prosecutor-led and data analyst-driven teams to identify and bring to justice those who stole pandemic relief funds.

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