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Superseding Indictment Adds Defendants to \$25 Million, Prison-Based Unemployment Insurance Fraud Scheme

FRESNO, Calif. — A total of eight defendants have been charged in a superseding indictment for submitting over \$25 million in fraudulent unemployment insurance claims in the identities of inmates, minor children, and others to the California Employment Development Department (EDD) during the COVID-19 pandemic. The indictment was announced today by U.S. Attorney Phillip A. Talbert following the arrest of all the defendants.

The original indictment charged Daryol Richmond, 30, an inmate at Kern Valley State Prison; Telvin Breaux, 29, an inmate at the California Correctional Institution in Tehachapi; and Holly White, 30, of Los Angeles, with conspiracy to commit mail fraud and aggravated identity theft. The superseding indictment adds Cecelia Allen, 33, of Downey; Fantasia Brown, 33, of Los Angeles; Tonisha Brown, 28, of Los Angeles; Fantesia Davis, 32, of Victorville; and Shanice White, 28, of Hawthorne. They are also charged with conspiracy to commit mail fraud and aggravated identity theft. Richmond and Breaux are inmates at the Kern Valley State Prison and California Correctional Institute, respectively. The remaining defendants reside in the Southern California area.

According to court documents, the underlying applications for the claims falsely stated that the inmates, minor children, and others previously worked as clothing merchants, handymen, and other jobs, and recently became unemployed because of the COVID-19 pandemic. The defendants created fictitious email accounts and used different physical addresses throughout Southern California for the fraudulent claims. After the defendants received the debit cards for the claims in the mail, they made cash withdrawals at different locations, on different days and times, and in varying amounts all to avoid detection by government authorities.

The actual loss to the EDD and United States is over \$5 million. The defendants spent the money on vehicles, furniture, handbags, jewelry, and other items and services.

This case is the product of an investigation by the FBI, EDD, the U.S. Department of Labor Office of Inspector General, and California Department of Corrections and Rehabilitation (CDCR). Assistant U.S. Attorney Joseph Barton is prosecuting the case.

If the defendants are convicted of the conspiracy to commit mail fraud, they each face a maximum statutory penalty of 20 years in prison and a fine of up to \$250,000. If convicted of the aggravated identity theft, they each face a mandatory two-year consecutive sentence. Any sentence, however, would be determined at the discretion of the court after considering any applicable statutory factors and the Federal Sentencing Guidelines, which take into account several variables. The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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