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Eastern District of California
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**TWO STOCKTON MEN CHARGED WITH UNEMPLOYMENT BENEFITS FRAUD
AND IDENTITY THEFT**

SACRAMENTO, Calif. — A 20-count indictment was unsealed today following the arrest of one of two defendants charged in an unemployment benefits fraud and an identity theft scheme, U.S. Attorney McGregor W. Scott announced.

On March 22, 2018, a federal grand jury indicted John Michael “Mike” Herron II, 36, of Stockton, and Robert Joseph Maher, 39, formerly of Stockton, charging both with 18 counts of mail fraud, and one count each of aggravated identity theft. Herron was arrested Tuesday and Maher is currently in custody.

According to court documents, from at least November 2010 through January 2018, Herron and Maher allegedly participated in a scheme to defraud the State of California by filing fraudulent claims for unemployment insurance benefits. In furtherance of this scheme, the defendants created fictitious companies to act as employers, devised fictitious employees (by using the real identities of persons with and without their knowledge), and filed fraudulent claims with the California Employment Development Department, falsely claiming that the fictitious employees had been laid-off or fired from the fictitious employers they previously established.

This case is the product of an investigation by the U.S. Department of Labor, Office of Inspector General, the Federal Bureau of Investigation, and the California Employment Development Department’s Investigation Division. Assistant U.S. Attorney Amy Schuller Hitchcock is prosecuting the case.

If convicted, both defendants face a maximum statutory penalty of 20 years in prison and a \$250,000 fine for the mail fraud charges. Each defendant also faces a mandatory minimum penalty of two years in prison for aggravated identity theft, which would run consecutive to any other sentence imposed. Any sentence, however, would 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. The charges are only allegations; the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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