

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

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Justice Department Announces COVID-19 Fraud Strike Force Teams

Strike Force team locations include Sacramento, Los Angeles, Miami, and Baltimore

SACRAMENTO, Calif. – Today the Justice Department announced the establishment of three strike force teams created to enhance the department's existing efforts to combat and prevent COVID-19 related fraud.

The strike force teams will operate out of U.S. Attorney's Offices in the Southern District of Florida, the District of Maryland, and a joint effort between the Eastern and Central Districts of California.

"These Strike Force teams will build on the Department's historic enforcement efforts to deter, detect, and disrupt pandemic fraud wherever it occurs," said Attorney General Merrick B. Garland. "Since the start of this pandemic, the Justice Department has seized over \$1.2 billion in relief funds that criminals were attempting to steal, and charged over 1,500 defendants with crimes in federal districts across the country, but our work is far from over. The Department will continue to work relentlessly to combat pandemic fraud and hold accountable those who perpetrate it."

"The Strike Force Teams are the latest example of the Justice Department's commitment to fight pandemic fraud," said Associate Deputy Attorney General Kevin Chambers, who serves as the department's Director for COVID-19 Fraud Enforcement. "The work being done by our prosecutors, trial attorneys, agents and partners on our COVID-19 Fraud Enforcement Task Force has been extraordinary. We're going a step further today with the announcement of strike force teams to support, enhance, and continue the great work being done across the department."

"The U.S. Attorney's Office for the Eastern District of California is proud to be included as a part of the COVID-19 Fraud Enforcement Strike Force," said U.S. Attorney Phillip A. Talbert. "We have had early successes pursuing COVID-19 fraud both civilly and criminally. For example, our district obtained the first civil settlement in the nation for fraud related to the CARES Act's Paycheck Protection Program, and we have brought a number of criminal prosecutions against defendants who obtained through fraud relief monies intended to help those in need. We remain committed to leading investigations and vigorously prosecuting those who commit COVID-19 fraud." Recent examples of the Eastern District of California's COVID-19 fraud work include the following:

U.S. v. Daryol Richmond, et al, 1:21-cr-184 DAD

Daryol Richmond, 31, a Kern Valley State Prison inmate, pleaded guilty on Feb. 22, 2022, to conspiracy and aggravated identity theft charges for his role in a \$25 million unemployment insurance fraud scheme during the COVID-19 pandemic. Seven others, including an inmate at the California Correctional Institution in Tehachapi, California, were charged in the scheme. According to the plea agreement, between June 2020 and December 2020, Richmond obtained the personally identifiable information (PII) for other individuals, including inmates and non-inmates, without their authorization. He then provided this information to his co-conspirators inside and outside of prison through emails and jail calls. The co-conspirators then filed applications for unemployment insurance with the California Employment Development Department (EDD) that 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. Charges are pending against the other seven defendants; they are presumed innocent until and unless proven guilty beyond a reasonable doubt. The charges carry a sentence up to 20 years in prison and a \$250,000 fine.

U.S. v. Makiah Miles, et al., 1:22-cr-129 ADA

An inmate at the Central California Women's Facility in Chowchilla, Makiah Miles, 29, of Compton, California, and her mother Apryl Weston, 50, of Santa Maria, California, took advantage of changes made to the California Employment Development Department (EDD) eligibility criteria in response to the COVID-19 pandemic and submitted the fraudulent claims. The inmate obtained other inmates' names, dates of birth, and social security numbers and sent that information to her mother on the outside for her to submit claims in those inmates' identities as well as her own identity. The underlying applications contained several misrepresentations, including that the inmates had been self-employed as accountants, beauty culturists, child care providers, cosmetologists, hairdressers, and other occupations, and that they recently became unemployed because of the COVID-19 pandemic. The claims were worth over \$550,000. The defendants used the money to purchase handbags, jewelry, and televisions, among other items. The pending charges carry a maximum statutory penalty of 20 years in prison and \$250,000 fine. The defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

In May 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.

Since the establishment of the task force, the department has worked closely with our law enforcement partners to analyze the extraordinary amount of data from our state workforce agency partners and the Small Business Administration. The strike force teams will be composed of dedicated prosecutors and agents from the Department of Labor Office of Inspector General, the Small Business Administration Office of Inspector General, the Department of Homeland

Security Office of Inspector General, the FBI, the U.S. Secret Service, Homeland Security Investigations, Internal Revenue Service Criminal Investigations, and the U.S. Postal Inspection Service, with assistance from the Pandemic Response Accountability Committee and the Special Inspector General for Pandemic Recovery. The strike force teams are designed to accelerate the process of turning data analytics into criminal investigations, which will enhance prosecutions. This prosecutor-led approach has proven successful in other organized crime arenas; it will be key to dismantling the networks that stole pandemic relief funds.

The Justice Department's efforts to combat COVID-19 related fraud schemes have proceeded on numerous fronts, including cases and investigations involving the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL) program, Unemployment Insurance (UI) programs, and COVID-19 health care fraud enforcement.

For further information on the Criminal Division's enforcement efforts on PPP fraud, including court documents from significant cases, visit the following website: <https://www.justice.gov/criminal-fraud/ppp-fraud>. For more information on the department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>. For further information on the Civil Division's enforcement efforts, visit the following website: <https://www.justice.gov/civil>.

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>.

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