

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

FOR IMMEDIATE RELEASE

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One-Time EDD Employee Agrees to Plead Guilty for Fraudulently Obtaining More Than \$1.6 Million in COVID-Related Jobless Benefits

LOS ANGELES – A former California Employment Development Department (EDD) employee has agreed to plead guilty to a federal criminal charge for causing nearly 200 fraudulent COVID-related unemployment relief claims to be filed in other people's names, resulting in more than \$1.6 million in ill-gotten gains, the Justice Department announced today.

Gabriela Llerenas, a.k.a. "Maria G. Sandoval," 49, of Perris, signed a plea agreement that was filed today in which she has agreed to plead guilty to a single-count information charging her with mail fraud.

Court records show that Llerenas previously worked at EDD as a disability insurance program representative. She resigned in March 2002 after admitting to fraudulently authorizing and paying disability benefits administered by EDD. She was sentenced to 37 months in federal prison in connection with that scheme.

The new scheme that Llerenas has admitted running took advantage of the expanded eligibility for unemployment insurance (UI) benefits made possible by the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress and signed into law in March 2020. The CARES Act provided additional UI benefits to qualified individuals and helped provide UI benefits during the COVID-19 pandemic to people who did not otherwise qualify, including business owners, self-employed workers, independent contractors, and those with a limited work history.

From April to October 2020, Llerenas filed and caused the filing with EDD of fraudulent unemployment insurance benefits that falsely asserted the named claimants were self-employed independent contractors – often identifying them as cake decorators or event attendants – who were negatively affected by the COVID-19 pandemic. Llerenas obtained some of the names, Social Security numbers and other identifying information she used to submit the fraudulent claims through her prior work as a tax preparer.

In her plea agreement, Llerenas also admitted to falsely stating on some of the applications that the claimants were residents of California entitled to unemployment insurance benefits administered by EDD when in fact they lived elsewhere. She also admitted that, on some applications, she inflated the amounts of income she reported for the claimant to maximize the benefit amount. She also admitted to sometimes filing a dozen or more fraudulent EDD claims in a day.

As a result of the fraudulent unemployment benefits applications that Llerenas filed and caused to be filed, EDD authorized Bank of America to mail debit cards in the names of the claimants to addresses she provided, including her residence, her husband's business location, her mother's apartment and the addresses of friends and other family members.

Llerenas admitted that she charged the named claimants a fee for filling the applications, which was often paid out of the fraudulently obtained benefits. In at least one case, she told the named

claimant that she was still employed at EDD and could control the distribution of the unemployment insurance benefits, and then demanded an additional payment for “releasing” the benefits.

In total, 197 debit cards were fraudulently issued because of this scheme, resulting in losses to EDD and the United States Treasury that Llerenas has admitted were at least \$1,633,487.

Llerenas is scheduled to make her initial appearance on September 22. The criminal offense to which Llerenas has agreed to plead guilty carries a statutory maximum sentence of 20 years in federal prison.

The Department of Labor-Office of Inspector General, EDD-Investigations Division, Homeland Security Investigations, United States Postal Inspection Service, Federal Bureau of Investigation and Social Security Administration-Office of Inspector General investigated this matter.

Assistant United States Attorney Ranee A. Katzenstein, Chief of the Major Frauds Section, is prosecuting this case.

On May 17, 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. For more information on the Department’s response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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 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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