

Department of Justice

U.S. Attorney's Office

Central District of California

FOR IMMEDIATE RELEASE

Friday, February 4, 2022

One-Time EDD Employee Sentenced to More Than 5 Years in Prison for Fraudulently Obtaining Nearly \$4.3 Million in COVID Relief Funds

RIVERSIDE, California – A former California Employment Development Department (EDD) employee was sentenced today to 63 months in federal prison for causing nearly 200 fraudulent COVID-related unemployment relief claims to be filed in other people's names, resulting in nearly \$4.3 million in ill-gotten gains.

Gabriela Llerenas, a.k.a. "Maria G. Sandoval," 44, of Perris, was sentenced by United States District Judge John W. Holcomb, who also ordered her to pay \$4,298,093 in restitution.

Llerenas 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.

Llerenas also falsely stated 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. On some applications, she inflated the amounts of income she reported for the claimant to maximize the benefit amount. She also filed 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 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. Judge Holcomb found that the resulting losses to EDD and the United States Treasury that Llerenas caused totaled \$4,298,093.

As part of the investigation, \$621,124 in cash was seized from Llerenas and has been forfeited.

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

Assistant United States Attorney Rane A. Katzenstein, Chief of the Major Frauds Section, prosecuted this case.

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. 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>.

Topic(s):

Coronavirus
Financial Fraud

Component(s):

[USAO - California, Central](#)

Contact:

Ciaran McEvoy Public Information Officer United States Attorney's Office Central District of California (Los Angeles) ciaran.mcevoy@usdoj.gov (213) 894-4465

Press Release Number:

22-017

Updated February 4, 2022