



Department of Justice

Office of the United States Attorney
Eastern District of California
Acting U.S. Attorney Phillip A. Talbert

FOR IMMEDIATE RELEASE

Tuesday, August 16, 2016

www.justice.gov/edca

Docket #: 2:12-cr-375 TLN

CONTACT: LAUREN HORWOOD

PHONE: 916-554-2706

usacae.edcapress@usdoj.gov

SACRAMENTO JURY CONVICTS SOUTHERN CALIFORNIA MAN IN \$5M UNEMPLOYMENT BENEFITS FRAUD SCHEME

SACRAMENTO, Calif. — On Monday, after a six-day trial, a federal jury found Andre Antonio Walters, 36, of Long Beach, guilty of four counts of mail fraud, Acting United States Attorney Phillip A. Talbert announced. The trial was held before United States District Judge Troy L. Nunley.

According to evidence presented at trial, Walters was a “manager” in a scheme to defraud the State of California of unemployment benefits from approximately 2008 to 2011. The scheme involved registering fictitious businesses with the state, listing “employees” as having earned wages at those fictitious businesses when in fact they had never worked there, and then filing for unemployment benefits on behalf of those “employees.” Walters recruited people to pose as these “employees,” managed their unemployment claims once filed, and split the resulting unemployment benefits checks that were mailed out of West Sacramento. According to the indictment, the scheme resulted in at least \$5 million in fraudulently obtained unemployment benefits being disbursed by the state.

Acting U.S. Attorney Phillip A. Talbert stated: “The funds set aside for unemployment insurance are intended to benefit hard-working Californians who have earned the right to receive those benefits. Fraud schemes that damage and deplete the fund undermine the benefit system and cheat those that the funds are intended to protect. We will continue to investigate and stop fraud schemes such as this that harm California workers.”

“Andre Walters conspired to defraud the California Employment Development Department of over \$5 million. Walters and his co-conspirators stole money that was intended for American workers in need of relief from the financial effects of

unemployment. We will continue to work with our law enforcement partners to safeguard the Unemployment Insurance system from those who exploit benefit programs," stated Abel Salinas, Special Agent-in-Charge of the Los Angeles Regional Office of the U.S. Department of Labor, Office of Inspector General.

This case is the product of an investigation by the United States Department of Labor, Office of Inspector General and the California Employment Development Department. Assistant United States Attorneys Jared C. Dolan and Matthew M. Yelovich are prosecuting the case.

Walters is the sixth individual to be convicted for participating in this fraud scheme. Kenneth Kim Parks, 54, of Pomona, and of Long Beach, was sentenced to five years in prison. Gregory Bart Martin, 35, of Lakewood, was sentenced to 18 months of probation, Michael Ray Taylor Sr., 51, of Fontana, was sentenced to three years in prison; and Michael Ray Taylor Jr., 31, of El Monte, is scheduled to be sentenced on November 17, 2016.

Walters is scheduled to be sentenced by Judge Nunley on November 3, 2016. Walters faces a maximum statutory penalty of 20 years in prison and a \$250,000 fine for each count of conviction. The actual sentence, however, will 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.

####