

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

FOR IMMEDIATE RELEASE

Tuesday, October 4, 2022

Tracy Woman Indicted in Fraud Scheme to Steal California Unemployment Insurance Benefits

SACRAMENTO, Calif. — Kaymeisha Keyes, 30, most recently of Tracy, was arrested today after a federal grand jury returned a 16-count indictment on Aug. 11, 2022, charging her with wire fraud, mail fraud, access device fraud, and aggravated identity theft, U.S. Attorney Phillip A. Talbert announced.

According to court documents, between April 2020 and August 2021, Keyes executed a scheme to defraud the California Employment Development Department (EDD) by filing over 70 fraudulent unemployment insurance claims with EDD, seeking Pandemic Unemployment Assistance and other benefits under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. During the scheme, Keyes collected personally identifiable information of numerous individuals — including names, birth dates, and Social Security numbers — and used their identities to file fraudulent unemployment insurance claims. The filings represented, among other things, that the claimants had recently lost employment or were unable to find employment due to the COVID-19 pandemic. These unemployment insurance claims were fraudulent because, for example, the claimants were not unemployed, they were not eligible for California unemployment insurance benefits, or Keyes did not have authority to file claims on their behalf.

Since at least October 2021, EDD has partnered with ID.me — a private company used by the EDD for ID verification of claimants — to implement a system for verifying claimant identities before EDD can process unemployment insurance claims.

In executing this fraudulent scheme, Keyes also submitted false information to ID.me that allowed fake and stolen identities to be verified. This false information included images of fake driver's licenses that contained photos of Keyes and co-schemers and the names of the purported claimants. She also submitted photos of herself and co-schemers that were used to verify the photos on the fake driver's licenses. Once these false identities were verified, Keyes filed the fraudulent unemployment insurance claims with EDD under the same identities.

In the fraudulent unemployment insurance applications, Keyes requested that the unemployment insurance benefits be mailed to various addresses under her control, including her residence in Tracy. EDD approved dozens of the fraudulent claims and authorized Bank of America to mail out EDD debit cards containing unemployment insurance benefits. Keyes then activated the EDD debit cards and spent the benefits on herself. The scheme sought over \$2 million in unemployment insurance benefits and caused EDD and the United States to incur actual losses exceeding \$1.1 million.

This case is the product of an investigation by the Federal Bureau of Investigation, the California Department of Corrections and Rehabilitation Office of Correctional Safety, and the California Employment Development Department (EDD) – Investigation Division, with assistance from the U.S. Department of Labor Office of Inspector General. Assistant U.S. Attorneys Denise N. Yasinow and Robert J. Artuz are prosecuting the case.

If convicted, Keyes faces a maximum statutory penalty of 20 years in prison and a \$250,000 fine on each of the 14 wire and mail fraud counts. She faces a maximum statutory penalty of 15 years in prison and a \$250,000 fine on the access device fraud count, and she faces a two-year mandatory prison sentence if convicted of aggravated identity theft, which must run consecutive to any sentence received on the other counts. 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.

This case was prosecuted as part of the California COVID-19 Fraud Enforcement Strike Force, one of three interagency COVID-19 fraud strike force teams established by the Department of Justice. The California Strike Force combines law enforcement and prosecutorial resources in the Eastern and Central Districts of California. The strike forces focus on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

Topic(s):
Coronavirus

Component(s):
USAO - California, Eastern