

PRESS RELEASE

Convicted Murderer Who Ran \$1.5 Million COVID Jobless Benefits Fraud from Behind Bars Sentenced to 7 Years in Federal Prison

Monday, July 10, 2023

For Immediate Release

U.S. Attorney's Office, Central District of California

LOS ANGELES – A woman serving a life sentence in state prison for murder was sentenced today in federal court to 84 months in federal prison for leading a ring that fraudulently obtained more than \$1.5 million in California unemployment insurance (UI) benefits – mostly pandemic-related relief – by using other people’s identities, some of which belonged to her fellow California prison inmates.

Natalie Le Demola, 38, who was incarcerated at the California Institution for Women in Corona at the time of the offense, was sentenced by United States District Judge John F. Walter, who also ordered her to pay \$933,181 in restitution. Demola is serving a life sentence after being convicted in 2005 of the first-degree murder of her mother.

Judge Walter ordered Demola to serve her federal prison sentence consecutive to her state prison sentence. She will be eligible for parole from state prison in July 2026.

Demola pleaded guilty on March 7 to one count of conspiracy to commit bank fraud and wire fraud, three counts of bank fraud, and one count of aggravated identity theft.

From June 2020 until April 2021, Demola and other co-conspirators acquired the personal identifiable information (PII), such as the names, dates of birth, and Social Security numbers, of individuals – including identity theft victims – who were not eligible for UI benefits, including pandemic benefits, because they were employed, retired, or incarcerated.

Members of the conspiracy then used the information to make fraudulent online applications for UI benefits from the California Employment Development Department

(EDD). Once the applications were approved, members of the conspiracy received EDD-funded debit cards that allowed them to withdraw money from ATMs across Southern California.

The total loss incurred by this conspiracy was \$1,546,933.

"[Demola] led and organized a scheme in which she and her coconspirators pocketed hundreds of thousands of dollars allocated for residents of California who were unemployed on account of the COVID19 pandemic," prosecutors argued in a sentencing memorandum. "[Demola] made a cost-benefit analysis and decided that the money and influence, including among fellow inmates, that she stood to gain was worth the additional penalties she faced if she were caught."

Prosecutors secured a total of 13 guilty pleas in this case.

The investigation into this scheme was conducted by the Los Angeles El Camino Real Financial Crimes Task Force, a multi-agency task force led by Homeland Security Investigations that includes federal and state investigators who are focused on financial crimes in Southern California. The California Employment Development Department, the California Department of Corrections and Rehabilitation, the United States Department of Labor Office of Inspector General, the Inglewood Police Department, and the United States Marshals Service participated in this investigation.

Assistant United States Attorneys Nisha Chandran of the Cyber and Intellectual Property Crimes Section and David C. Lachman of the Terrorism and Export Crimes Section prosecuted this case.

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