

PRESS RELEASE

# Donaldsonville Woman Sentenced to 78 Months in Federal Prison for Pandemic Benefits Fraud Scheme

Tuesday, April 11, 2023

## For Immediate Release

U.S. Attorney's Office, Middle District of Louisiana

United States Attorney Ronald C. Gathe, Jr. announced that Chief Judge Shelly D. Dick sentenced Tynea Lynnshay Gray, age 24, of Donaldsonville, Louisiana to 78 months in federal prison following her conviction for mail fraud. The Court further sentenced Gray to serve three years of supervised release following her term of imprisonment and ordered her to pay \$906,534 in restitution.

Between June 2020 and October 2021, Gray submitted fraudulent claims for unemployment insurance benefits in California in her name and in the names of other individuals. Gray also submitted fraudulent claims for Paycheck Protection Program ("PPP") benefits in the names of fictitious businesses and based on fictitious business profits and losses.

Through her unemployment insurance scheme, Gray falsely claimed that she and others were working in California prior to the coronavirus pandemic and that they lost their employment due to the pandemic. Gray obtained names, birth dates, and Social Security numbers of others and submitted fraudulent claims for unemployment insurance benefits in their names, with and without their knowledge. Gray captured people's identifying information through social media. Upon submitting the claims and receiving the funds, she either gave a portion of the funds to others or kept all the funds for herself. Through her scheme, Gray obtained hundreds of thousands of dollars in prepaid debit cards in the mail.

Gray also devised a scheme to defraud lenders and the United States, through the Small Business Administration, by filing false and fraudulent applications for PPP funds. In furtherance of the scheme, Gray submitted forged bank statements, false tax documents, and made misrepresentations in her PPP applications.

Gray also falsely reported bank cards stolen or lost so that she would receive new cards with additional pandemic benefit funds. Throughout the course of the fraudulent schemes, Gray caused over \$550,000 in prepaid debit cards to be mailed to her addresses, to which she and others were not entitled. Additionally, Gray caused \$20,833 to be deposited into her bank account to which she was not entitled.

U.S. Attorney Gathe stated, "At a time when over 1 million U.S. Citizens died from COVID-related issues, Ms. Gray took advantage of the system designed to help American taxpayers in this time of need. The sentencing today shows that these cases will not be tolerated. With the help of federal partners such as the FBI and U. S. Department of Labor-OIG, my office will continue to prosecute these cases and redeem taxpayer money."

"Ms. Gray chose to con the system during one of the most vulnerable times in U.S. history," said New Orleans FBI Special Agent in Charge Douglas A. Williams, Jr. "The FBI is committed to aggressively pursuing those who seek to defraud the American taxpayers for their own personal gain. We thank our partners at the United States Attorney's Office Middle District of Louisiana and the Office of Inspector General at the U.S. Department of Labor for their dedication in pursuing justice in this case."

"Tynea LynnShay Gray used social media as a catalyst to defraud the California Employment Development Department (CA-EDD) of more than \$500K in Pandemic Unemployment Assistance (PUA), both in her name and in the names of others, with and without their consent. The scheme orchestrated by Gray resulted in a tremendous loss of pandemic relief needed by those legitimately unemployed as result of the pandemic. We will continue to work diligently to protect the integrity of the unemployment insurance system and bring those who exploit these benefit programs to justice." said Special Agent-in-Charge Steven Grell, Central Region, U.S. Department of Labor, Office of Inspector General.

This matter was investigated by the Federal Bureau of Investigation and the U.S. Department of Labor-OIG and was prosecuted by Assistant United States Attorney Edward H. Warner.

*Updated April 11, 2023*

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