

PRESS RELEASE

# Rush City Woman Sentenced to Prison for Role in \$1.8 Million Scheme Involving Romance Fraud and Federal Pandemic Programs

Thursday, December 7, 2023

## For Immediate Release

U.S. Attorney's Office, District of Minnesota

MINNEAPOLIS – A Rush City woman has been sentenced to 21 months in federal prison, followed by two years of supervised release, 100 hours of community service, and was ordered to pay \$1.7 million in restitution for her role in multiple schemes that defrauded individuals throughout the United States, announced U.S. Attorney Andrew M. Luger.

According to court documents, from 2017 through April 2022, Gayle Joyce Ferngren, 70, and others participated in a scheme to launder proceeds that were fraudulently obtained from victims throughout the United States, including the proceeds of romance fraud scams and schemes to defraud Federal Pandemic Assistance Programs. In total, Ferngren laundered at least \$1.8 million in fraud proceeds.

According to her guilty plea, from approximately June 2020 through December 2020, Ferngren acknowledges that she received at least 68 debit cards containing approximately \$1.3 million in fraudulent unemployment benefits from California and Nevada to which she was not entitled. After receiving the fraudulent proceeds, Ferngren kept a portion for herself and transmitted most of the funds to other scheme participants, including to individuals located overseas.

In addition, Ferngren participated in a “romance scam,” which is a type of fraud that targets persons looking for romantic partners or friendship on dating websites or other social media platforms. According to court documents, romance scammers create profiles using fictitious or fake names, locations, images, and personas, allowing the scammers to cultivate relationships with prospective scam victims. According to her guilty plea, Ferngren received funds from romance fraud victims under false and

fraudulent pretenses after other scheme participants induced the victims to send money to Ferngren.

Ferngren was sentenced today in U.S. District Court before Judge John R. Tunheim. On May 22, 2023, she pleaded guilty to one count of mail fraud.

This case is the result of an investigation conducted by the U.S. Postal Inspection Service, the U.S. Department of Labor–Office of Inspector General, and the FBI.

Assistant U.S. Attorney Matthew S. Ebert prosecuted the case.

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