

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

FOR IMMEDIATE RELEASE

Wednesday, March 3, 2021

COVID-19 Unemployment Benefit Fraud Scheme Charged

Indictment unsealed following defendant's arrest

FRESNO, Calif. — On Thursday, Feb. 25, a federal grand jury returned an indictment charging two defendants in a scheme that targeted California Employment Development Department (EDD) unemployment insurance benefits that were intended for Californians hit hardest by the ongoing COVID-19 pandemic shutdown, Acting U.S. Attorney Phillip A. Talbert announced.

The three-count indictment charges Jason Vertz, 51, of Fresno, and Alana Powers, 45, an inmate at the Central California Women's Facility (CCWF) in Chowchilla, with one count of conspiracy to commit mail fraud and two counts of aggravated identity theft. The indictment was unsealed and Vertz was arraigned on Tuesday following his arrest.

According to court documents, Vertz and Powers submitted several fraudulent unemployment insurance claims in Powers' and other CCWF inmates' names to EDD. Recorded jail calls and emails show that Powers and other inmates, provided names, dates of birth, and social security numbers for inmates at CCWF to Vertz to submit the fraudulent claims. Shortly thereafter, the benefits were loaded onto debit cards that were mailed to the addresses the defendants provided.

The underlying applications for the claims stated that the inmates had worked within the prescribed period as maids, cleaners, fabrication welders, and other occupations, and that they were available to work, which was not true because they were incarcerated. The claims would have been denied if accurate answers had been given. EDD and the United States have suffered an actual loss of over \$103,000 as a result of the fraud.

This case is the product of an investigation by the FBI, the California Department of Corrections and Rehabilitation Investigative Services Unit, and the California EDD. Assistant U.S. Attorneys Alexandre Dempsey and Joseph Barton are prosecuting the case.

If convicted of the conspiracy to commit mail fraud, Vertz and Powers each face a maximum statutory penalty of 20 years in prison and a fine of up to \$250,000. If convicted of the aggravated identity theft, they face a mandatory two-year sentence consecutive to any other sentence. 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 defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

Attachment(s):

[Download Vertz indictment.pdf](#)

Topic(s):

Financial Fraud
Public Corruption

Component(s):

[USAO - California, Eastern](#)

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