

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

FOR IMMEDIATE RELEASE

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Former Stockton Woman Indicted with Others in Two Fraud Conspiracies

SACRAMENTO, Calif. — On Thursday, October 13, 2016, a federal grand jury returned two indictments charging Kioni Dogan, 36, of Las Vegas and formerly of Stockton, with a total of 21 fraud counts related to claims for unemployment benefits and tax refunds, Acting U.S. Attorney Phillip A. Talbert announced.

The unemployment fraud indictment, charges Dogan, along with Gloria Harris, 56, of Stockton, and Lavonda Bailey, 34, of Las Vegas, with one count of conspiracy to commit mail fraud. It also charges Dogan with 15 counts of mail fraud. According to court documents, Dogan operated a "fictitious employer" scheme. Dogan created an employer with the California Employment Development Department (EDD) that was fictitious and did not conduct any business. Dogan then caused the submission of information to the EDD falsely indicating that various persons were employed by the fictitious entity. Dogan subsequently filed unemployment claims in the names of the fake employees. Harris and Bailey are among the individuals who collected the fraudulent benefits, both in their own names and in the names of other fake employees. The total loss to the California EDD is alleged to be over \$2 million.

This is the third indictment returned as a result of the unemployment fraud investigation. On September 15, 2016, Herbert Alexander, 69, of Stockton was charged with unemployment fraud. On December 30, 2015, Deborah Hollimon of Stockton and West Memphis, Arkansas, was charged with unemployment fraud and identity theft.

The tax fraud indictment charges Dogan and Antonia L. Brasley, 47, of Stockton, with one count of conspiracy to submit false claims for tax refunds. It also charges Dogan with four individual counts of submitting false claims. According to court documents, from May 2011 through April 2012, Dogan and Brasley participated in a conspiracy to submit false tax returns to the IRS by obtaining personal identifying information from family, friends, and others, and then submitting returns seeking refunds to which the people listed on the returns were not entitled. To pursue the refunds, false statements were placed on the returns regarding income, withholding from income, and gambling losses, with fraudulent supporting tax forms known as W2-Gs. Dogan is also charged with making false claims in

connection with four returns filed in January 2012, each seeking thousands of dollars in tax refunds.

The unemployment fraud case is the product of an investigation by the U.S. Department of Labor, the California Employment Development Department, and the U.S. Postal Inspection Service. Assistant U.S. Attorney Jared C. Dolan is prosecuting the case. The tax fraud case was the product of an investigation by the Internal Revenue Service Criminal Investigation. Assistant U.S. Attorney Christopher S. Hales is prosecuting the case.

If convicted of the unemployment benefits fraud, Dogan, Harris, and Bailey face a maximum statutory penalty of 20 years in prison and a \$250,000 fine as to each count. If convicted in the tax fraud case of conspiracy to submit false claims, Dogan and Bralsey each face a maximum statutory penalty of 10 years in prison and a \$250,000 fine. If convicted on the tax-related false claims counts, Dogan faces a maximum statutory penalty of five years in prison and a \$250,000 fine for each count. 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.