

**Department of Justice**  
U.S. Attorney's Office  
Western District of Washington

---

FOR IMMEDIATE RELEASE

Friday, September 16, 2022

**Former Washington State Employment Security Department worker sentenced to five years in prison for wire fraud, bribery, and aggravated identity theft**

**Hired to help with the pandemic overload, he committed fraud and demanded kickbacks for pushing through fraudulent claims**

Tacoma – A former employee of Washington State’s Employment Security Department (ESD) was sentenced today in U.S. District Court in Tacoma to five years in prison for three federal felonies for his scheme to exploit his employment for personal enrichment and to fraudulently distribute at least \$360,000 in pandemic-related unemployment benefits, announced U.S. Attorney Nick Brown. Reyes De La Cruz, III, 48, of Moses Lake, Washington, personally enriched himself by at least \$130,000 with his scheme. At the sentencing hearing U.S. District Judge Robert J. Bryan said, “This was a serious offense...damaging to our system of government and to individuals.”

“Mr. De La Cruz’s betrayal of public trust is particularly egregious, since he was hired to help people survive during a time of national crisis,” said U.S. Attorney Nick Brown. “Instead, through multiple acts of demanding bribes, falsifying records, stealing identities – he stole from the public to line his own pockets. The Department of Justice is working relentlessly to combat pandemic fraud, and to hold people who defrauded the government accountable.”

“Public servants must be held to higher standard.” said Richard A. Collodi, Special Agent in Charge of the FBI’s Seattle field office. “Mr. De La Cruz took advantage of a program meant to assist struggling families during the pandemic. He exploited his position to benefit himself, which makes his actions that much more appalling. This case demonstrates the commitment by the FBI and U.S. Attorney’s Office to reinforce trust and hold accountable those who manipulate for personal gain.”

According to records filed in the case, De La Cruz was hired as an intake agent in April 2020 to help the Employment Security Department (ESD) deal with the crush of filings for pandemic unemployment benefits. De La Cruz had previously worked for ESD, from 1996 to 2003.

Between July 3, 2020, and March 15, 2021, De La Cruz used his access to the ESD claims database to defraud the benefits system in multiple ways. In at least ten instances, De La Cruz accepted bribes in exchange for engineering benefit payments for his friends, family, or acquaintances by making false entries in the claims database. In many cases, the person did not qualify for benefits, but De La Cruz manipulated the claims database so that the claimants received lumpsum retroactive payments that sometimes amounted to tens of thousands of dollars. The claimants would then pay De La Cruz a portion of the lumpsum. The bribes ranged from \$500-\$6,500. In total, De La Cruz enriched himself nearly \$21,000 through kickback payments.

In some instances, when claimants refused or resisted paying De La Cruz, he threatened to terminate the claim if they did not pay him.

De La Cruz filed at least four claims using other people's personal information without authorization and then had the benefits paid to debit cards that were mailed to Moses Lake, Washington, addresses where De La Cruz could retrieve them. Even after his employment with ESD terminated on October 1, 2020, De La Cruz attempted to restart claims payments to these debit cards to take advantage of additional federal pandemic benefits. De La Cruz went so far as to impersonate a claimant in recorded phone calls with ESD and a bank. He impersonated another claimant in handwritten correspondence that he then faxed to ESD. In this way he defrauded ESD of more than \$113,000.

The Employment Security Department uncovered evidence of fraud, terminated De La Cruz, and referred the case to the Department of Labor Office of Inspector General. The FBI joined the investigation.

"Reyes De La Cruz was a state employee who was trusted to handle sensitive employment information. He abused that trust for personal gain. This sentencing sends a strong message to those who defrauded our nation's unemployment system during a time when unemployment benefits were needed most. Protecting the integrity of the unemployment insurance program remains one of our highest priorities. We will continue to work with our law enforcement partners to safeguard unemployment benefits for those who need them and to bring to justice those who commit unemployment insurance fraud", said Quentin Heiden, Special Agent-in-Charge of the U.S. Department of Labor, Office of Inspector General, Los Angeles Region.

This case is being prosecuted by Assistant United States Attorneys Cindy Chang and Seth Wilkinson.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

**Topic(s):**  
Coronavirus  
Public Corruption  
Disaster Fraud  
Financial Fraud

**Component(s):**

USAO - Washington, Western

**Contact:**  
Press contact for the U.S. Attorney's Office is Communications Director Emily Langlie at (206) 553-4110 or [Emily.Langlie@usdoj.gov](mailto:Emily.Langlie@usdoj.gov)