

## **Press Release**

# **Independence Woman Admits to Role in National Fraud Scheme**

Thursday, September 4, 2025

## **For Immediate Release**

U.S. Attorney's Office, Western District of Missouri

KANSAS CITY, Mo. – An Independence, Mo., woman pleaded guilty in federal court today to taking part in a fraud scheme impacting the U.S. Small Business Administration and numerous state governments.

Cathy M. Kelley, 69, pleaded guilty to knowingly receiving stolen government money. Specifically, Kelley admitted, in September 2020, she received \$59,900 in Economic Injury Disaster Loan proceeds from the U.S. Small Business Administration after another individual submitted a fraudulent application requesting the funds. After receipt, Kelley converted the stolen funds to her use and the use of others by purchasing personal items and making large cash withdrawals.

Kelley also admitted that, in 2020 and 2021, she knowingly received stolen unemployment benefits from the State of Washington, Commonwealth of Massachusetts, State of Colorado, State of Florida, State of Kansas, State of California, and State of Nevada. Specifically, knowing the unemployment benefits had been procured by others through fraud, Kelley received the benefits in multiple financial accounts in her name and control as well as through numerous state-issued debit cards delivered to her personal residence. Upon receipt, Kelley converted the money to her use and the use of others. As part of her plea agreement, Kelley admitted that the stolen unemployment benefits contained federal funds and admitted that she received a total of at least \$250,000 in stolen funds over her course of conduct.

Under federal statutes, Kelley is subject to a sentence of up to 10 years in federal prison without parole. The maximum statutory sentence is prescribed by Congress and is provided here for informational purposes, as the sentencing of Kelley will be determined by the court based on the advisory sentencing guidelines and other statutory factors. A sentencing hearing has been scheduled for Jan. 6, 2026.

This case is being prosecuted by Assistant U.S. Attorney Nicholas P. Heberle. It was investigated by the U.S. Department of Homeland Security, Office of Inspector General; U.S. Department of Labor, Office of Inspector General; and U.S. Postal Inspection Service.

*Updated September 4, 2025*