

PRESS RELEASE

San Bernardino County Woman and Man Arrested on Indictment Alleging \$2.1 Million Scheme to Illegally Get COVID Jobless Benefits

Tuesday, November 5, 2024

For Immediate Release

U.S. Attorney's Office, Central District of California

RIVERSIDE, California – Two San Bernardino County residents were arrested today on a nine-count federal grand jury indictment alleging they fraudulently obtained more than \$2.1 million in COVID-19 pandemic relief funds by submitting more than 120 fraudulent applications for unemployment insurance (UI) benefits using stolen identities, including those of California state prisoners.

Lisa Puente, 43, of Rialto, and Arthur Marquez, 53, of San Bernardino, were arraigned this afternoon in United States District Court in Riverside.

Both defendants are charged with six counts of mail fraud and one count of use of unauthorized access devices. Puente and Marquez also each are charged with one count of aggravated identity theft.

Puente and Marquez pleaded not guilty to the charges against them, and a December 30 trial date was scheduled. A federal magistrate judge ordered Puente released on \$20,000 bond and ordered Marquez released on \$10,000 bond.

According to the indictment returned on October 9 and unsealed today, from February 2020 to August 2023, Puente and Marquez filed with the California Employment Development Department (EDD) fraudulent applications for UI benefits in the names of other people. EDD administers California's unemployment benefits program. The other people included individuals who did not qualify for UI because they were incarcerated in California state prisons and people whose personal identifying information (PII) was used without their permission.

The fraudulent applications falsely stated that they were individuals whose employment had been negatively affected by the COVID-19 pandemic, which triggered eligibility for UI benefits under federal law. The applications also falsely stated that the named claimants resided and had worked in California. In fact, most identity theft victims in this scheme did not live in California. The applications also used false mailing addresses, bogus prior annual income information, and that the named claimants were unemployed self-employed individuals whose employment was adversely impacted by COVID-19.

As a result of the bogus UI applications that Puente and Marquez filed, EDD authorized Bank of America to issue debit cards in the names of dozens of victims and straw claimants. Once in possession of the debit cards, the defendants withdrew the UI benefits loaded onto the debit cards by making cash withdrawals at ATMs and bank branches and by using the debit cards to buy items sold at businesses.

In total, Puente and Marquez causing at least 124 fraudulent applications for UI benefits to be filed, causing losses to EDD and the United States Treasury of approximately \$2,136,768.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed to be innocent until and unless proven guilty in court.

If convicted, the defendants would face a statutory maximum sentence of 20 years in federal prison for each mail fraud count, up to 10 years in federal prison for the unauthorized access device count, and a mandatory two-year consecutive prison sentence for the aggravated identity theft count.

The United States Department of Labor Office of Inspector General; the California Employment Development Department Investigation Division; Homeland Security Investigations; the U.S. Department of Homeland Security Office of Inspector General; the California Department of Corrections and Rehabilitation Special Service Unit; the United States Secret Service; the U.S. Social Security Administration Office of Inspector General; and the United States Postal Inspection Service are investigating this matter.

Assistant United States Attorney Mitchell M. Suliman of the Riverside Branch Office is prosecuting this case.

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>.

On September 15, 2022, the Attorney General selected the U.S. Attorney's Offices for the Central and Eastern Districts of California to jointly head one of three national COVID-19 Fraud Strike Force Teams. The Department of Justice established the Strike Force to enhance existing efforts to combat and prevent COVID-19 related financial fraud. The Strike Force combines law enforcement and prosecutorial resources and focuses on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors, as well as those who committed multiple instances of pandemic relief fraud. The Strike Force uses prosecutor-led and data analyst-driven teams to identify and bring to justice those who stole pandemic relief funds. Additional information regarding the Strike Force may be found at <https://www.justice.gov/opa/pr/justice-department-announces-covid-19-fraud-strike-force-teams>.

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>.

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