

PRESS RELEASE

Tracy Woman Sentenced to 9 Years in Prison for Fraudulent Scheme to Steal California Unemployment Insurance Benefits

Wednesday, September 18, 2024

For Immediate Release

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

SACRAMENTO, Calif. — Kaymeisha Keyes, 33, of Tracy, was sentenced Tuesday by U.S. District Judge John A. Mendez to nine years in prison for wire fraud and aggravated identity theft in a scheme to defraud the unemployment insurance benefit program during the COVID-19 pandemic, U.S. Attorney Phillip A. Talbert announced. Keyes was also ordered to pay \$1,116,683 in restitution.

According to court documents, between April 2020 and August 2021, Keyes executed a scheme to defraud the California Employment Development Department (EDD) by filing more than 70 fraudulent unemployment benefit claims with EDD, seeking Pandemic Unemployment Assistance and other benefits under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. During the scheme, Keyes collected personally identifiable information of numerous individuals — including names, birth dates, and Social Security numbers — and used their identities to file fraudulent unemployment insurance claims. The filings represented, among other things, that the claimants had recently lost employment or were unable to find employment due to the COVID-19 pandemic. These unemployment insurance claims were fraudulent because, for example, the claimants were not unemployed, they were not eligible for California unemployment insurance benefits, or Keyes did not have authority to file claims on their behalf.

Since at least October 2021, EDD partnered with ID.me — a private company used by the EDD for ID verification of claimants — to implement a system for verifying claimant

identities before EDD can process unemployment insurance claims. In executing this fraudulent scheme, Keyes submitted false information to ID.me that allowed fake and stolen identities to be verified. This false information included images of fake driver's licenses that contained photos of Keyes and co-schemers and the names of the purported claimants. She also submitted photos of herself and co-schemers that were used to verify the photos on the fake driver's licenses. Once these false identities were verified, Keyes filed the fraudulent unemployment insurance claims with EDD under the same identities.

In the fraudulent unemployment insurance applications, Keyes requested that the unemployment insurance benefits be mailed to various addresses under her control, including her residence in Tracy. EDD approved dozens of the fraudulent claims and authorized Bank of America to mail out EDD debit cards containing unemployment insurance benefits. Keyes then activated the EDD debit cards and spent the benefits on herself. The scheme sought over \$2 million in unemployment insurance benefits and caused EDD and the United States to incur actual losses exceeding \$1.1 million.

This case was the product of an investigation by the Federal Bureau of Investigation, the California Department of Corrections and Rehabilitation Office of Correctional Safety, and the California EDD – Investigation Division with assistance from the U.S. Department of Labor Office of Inspector General. Assistant U.S. Attorney Denise N. Yasinow prosecuted the case.

This case was prosecuted as part of the California COVID-19 Fraud Enforcement Strike Force, one of five interagency COVID-19 fraud strike force teams established by the Department of Justice. The California Strike Force combines law enforcement and prosecutorial resources in the Eastern and Central Districts of California. The strike forces focus on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

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