

**PRESS RELEASE**

# **CEO of Non-Profit that Provided Mentoring Services to Public School Students Pleads Guilty to Fraudulently Obtaining COVID Benefits**

Monday, November 25, 2024

**For Immediate Release**

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

*LOS ANGELES* – A South Bay man who provided lifestyle and personal development coaching to students in public schools through a non-profit he founded pleaded guilty today to fraudulently applying for millions of dollars in COVID-19 jobless benefits, including by using stolen identities.

Reginald Foster Jr., 38, of the Westchester neighborhood of Los Angeles, pleaded guilty to one count of conspiracy to commit mail fraud and bank fraud, and one count of use of unauthorized access devices.

Foster admitted in court today that, from June 2020 to October 2020, he conspired with others to fraudulently obtain unemployment insurance benefits under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a law Congress passed in March 2020 to help individuals and businesses deal with the economic impact of the COVID-19 pandemic.

Foster exploited the Pandemic Unemployment Assistance (PUA) provision of the CARES Act, which is designed to expand access to unemployment benefits to self-employed workers, independent contractors, and others who would not otherwise have been eligible because of the pandemic. The California Employment Development Department (EDD) administers the state's unemployment insurance program, which included the PUA provision.

Foster admitted that he and his co-conspirators filed fraudulent applications for benefits in the names of people who had not authorized him to do so, using the identity-theft victims' personal identifying information without their permission. Foster included false

information on the applications to ensure that EDD would approve the applications and send the debit cards through which the benefits were dispersed to a mailing address he used. In total, Foster and his co-conspirators submitted 118 fraudulent applications as part of the scheme.

Foster used the debit cards to make transfers to his non-profit, Champs Up! LLC, which Foster has said provides guidance programs to middle school students in Los Angeles and Long Beach. Foster also used the cards to make multiple \$1,000 withdrawals at ATMs. He then transferred the cards to co-conspirators, who used them to make further ATM withdrawals. Foster and his co-conspirators were able to withdraw almost \$1.5 million of the benefits. EDD and Bank of America froze the remaining benefits as soon as the scheme was uncovered, preventing further losses of more than \$4 million.

United States District Judge Mark C. Scarsi scheduled a March 24, 2025, sentencing hearing, at which time Foster will face a statutory maximum sentence of 30 years in federal prison for the conspiracy count and up to 10 years in federal prison for the unauthorized access devices count.

Foster remains free on \$50,000 bond.

Co-defendants Shelece Counts, 31, of the Westlake neighborhood of Los Angeles; and Isaiah Herbert Lawrence, 31, of Houston, Texas, have pleaded not guilty to criminal charges in this case and are scheduled to go to trial on January 21, 2025.

*An indictment is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.*

The United States Department of Labor Office of Inspector General, the California Employment Development Department, and Homeland Security Investigations investigated this matter. Substantial assistance was provided by the Department of Homeland Security Office of Inspector General; the United States Secret Service; the FBI; U.S. Customs and Border Protection Special Response Team; and the Los Angeles Unified School District Office of Inspector General.

Assistant United States Attorney Ranee A. Katzenstein of the Criminal Appeals Section 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. More information on the Justice Department's response to the pandemic may be found [here](#).

Anyone with information about allegations of attempted fraud involving COVID-19 can report it to the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at (866) 720-5721 or via the NCDF [online complaint form](#).

**Contact**

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