

Department of Justice

U.S. Attorney's Office

Southern District of California

FOR IMMEDIATE RELEASE

Thursday, December 17, 2020

Former California Unemployment Office Worker Charged in Scheme to Steal Hundreds of Thousands of Dollars in Pandemic Unemployment Aid

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NEWS RELEASE SUMMARY – December 17, 2020

SAN DIEGO – A former contract employee with California's Employment Development Department, which administers the state's unemployment insurance program, was charged in federal court today with fraud and identity theft in connection with a scheme to steal hundreds of thousands of dollars in pandemic unemployment aid.

Nyika Gomez, 40, of San Diego, was arrested at her home yesterday and charged in a criminal complaint unsealed today. She made her first appearance in federal court at 2 p.m. today before U.S. Magistrate Judge Karen S. Crawford.

According to the complaint, Gomez conspired with her boyfriend, a prisoner serving a term of 94 years to life at California State Prison, Sacramento for murder, to submit fraudulent pandemic unemployment insurance claims for California state prisoners and out-of-state residents whose identifying information was stolen.

Gomez's job at the Employment Development Department (EDD) involved assisting unemployed Californians to qualify for benefits. As alleged in the complaint, she used her training and expertise to defraud that very program in a scheme designed to generate hundreds of thousands of dollars in stolen benefits.

As part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, Congress provided new unemployment benefits for those affected by the COVID-19 pandemic who would not otherwise qualify for unemployment insurance.

According to the criminal complaint, in July 2020, Gomez was employed by an EDD contractor as a Call Center Agent where she helped individuals process their unemployment insurance claims. In that position, Gomez received training in EDD's procedures and regulations and she had access to confidential information regarding EDD's unemployment insurance program.

The complaint said Gomez used that knowledge to submit fraudulent unemployment insurance claims using personal identifying information (PII) she acquired from California prisoners, with help from her inmate boyfriend. With his help, she was also able to purchase stolen PII from out-of-state residents, which she used to submit additional fraudulent unemployment claims.

Gomez arranged for the stolen benefits – paid out in the form of a debit card – to be mailed directly to her residence, or to the residence of someone working with her. Gomez returned some of the proceeds to the prison inmates by transferring money to their prison accounts.

In the statement of facts submitted for the criminal complaint, agents describe how they obtained video surveillance recordings of Gomez using the fraudulently obtained debit cards at bank ATM machines. For example, the photo below is a screen-capture from an ATM video taken on July 23, 2020. Gomez is withdrawing \$1,000 on a debit card issued to a California prison inmate.

According to the complaint, the following video screen-captures depict the defendant while using EDD-issued debit cards she obtained through fraud:

Below is a screen-capture of Gomez withdrawing \$1,000 from an ATM issued to a California Prison Inmate on July 23, 2020.

In this screen-capture from a drive through ATM taken on July 20, 2020, Gomez is withdrawing \$500 from a debit card issued to a California prison inmate.

In this screen capture from a drive-through ATM taken on August 13, 2020, Gomez is withdrawing \$300 from a debit card issued to a California prison inmate.

The charges are the product of an investigation jointly undertaken by the U.S. Department of Labor, Office of the Inspector General (DOL-OIG), the California Employment Development Department Office of Investigations (EDD OI), United States Postal Inspection Service (USPIS), and Homeland Security Investigations (HSI). Investigators initiated an investigation after noting several unemployment insurance benefit claims originating from Gomez's own computer and using her own residence as the claimant's address. Investigators also obtained consensually monitored recorded calls between Gomez and her boyfriend discussing the scheme and supplying Gomez with PII of prison inmates. A court-authorized search of Gomez residence also revealed that she possessed, and was using, two of the debit cards that were issued for claims by prison inmates.

"Pandemic unemployment insurance programs are a critical part of our safety net designed to support hardworking citizens who are suffering during this unprecedented time," said U.S. Attorney Brewer. "Fraud related to COVID-19 is particularly disturbing as it exploits a national crisis for personal gain."

Brewer praised prosecutor Stephen Wong and agents from U.S. Department of Labor, Office of the Inspector General Office of Investigations-Labor Racketeering & Fraud; California Employment Development Department Office of Investigations; California Department of Corrections and Rehabilitation-Investigative Services Unit; United States Postal Inspection Service and Homeland Security Investigations for their excellent work on this case.

If you think you are a victim of COVID-19 fraud, immediately report it the FBI (visit ic3.gov, tips.fbi.gov, or call 1-800-CALL-FBI or the San Diego FBI at 858-320-1800).

In addition, the public is urged to report suspected fraud schemes related to COVID-19 by calling the National Center for Disaster Fraud hotline (1-866-720-5721) or by e-mailing the NCDF at disaster@leo.gov.

DEFENDANT
KSC

Case Number 20-MJ-5356-

Nyika Renada Gomez

Age: 40

San Diego, CA

SUMMARY OF CHARGES

Counts 1 through 9: Title 18, United States Code, section 1343 (wire fraud)

Maximum penalty: Twenty years in prison; fine; penalty assessment

Counts 10 through 12: Title 18, United States Code, section 1028A; (aggravated identity theft)

Maximum penalty: Two-year mandatory-minimum in prison, consecutive to any prison term imposed for Counts 1 through 9.

AGENCY

U.S. Department of Labor, Office of the Inspector General (DOL-OIG) Office of Investigations-Labor Racketeering & Fraud

California Employment Development Department Office of Investigations (EDD OI)

California Department of Corrections and Rehabilitation-Investigative Services Unit (CDCR-ISU)

United States Postal Inspection Service (USPIS)

Homeland Security Investigations (HSI)

*The charges and allegations contained in an indictment or complaint are merely accusations, and the defendants are considered innocent unless and until proven guilty.