

Department of Justice

U.S. Attorney's Office

Eastern District of California

FOR IMMEDIATE RELEASE

Thursday, September 20, 2018

Stockton Man Sentenced to over Four Years in Prison for Unemployment Benefits Fraud and Identity Theft Scheme

SACRAMENTO, Calif. — Sergio Doriane Sanchez Reyna, 25, of Stockton, was sentenced today by U.S. District Judge Morrison C. England Jr. to four years and three months in prison and ordered to pay \$436,091 in restitution for his role in a scheme to defraud the State of California by filing false unemployment insurance claims, U.S. Attorney McGregor W. Scott announced.

“Sergio Reyna conspired with others in an unemployment insurance (UI) fraud scheme targeted at the California Employment Development Department (EDD). Reyna facilitated the scheme by receiving EDD documents and obtaining debit cards issued in the names of identity theft victims to fraudulently obtain the UI benefits. We will continue to work with our federal and state law enforcement partners to safeguard the UI system from those who exploit these benefit programs,” said Abel Salinas, Special Agent-in-Charge, Los Angeles Region, U.S. Department of Labor Office of Inspector General.

“This scheme exploited a fund designed to support people in California in a time of need, stealing money from a vital fund,” said Special Agent in Charge Sean Ragan of the Sacramento Field Office. “The FBI is committed to working with our state and federal partners to uncover fraud committed by government employees who exploit their trusted positions and damage the reputation of their fellow government employees who serve the public.”

According to court documents, between December 12, 2014, and July 14, 2016, Reyna conspired with others to defraud the state of California. Pamela Emanuel, 57, of San Jose, worked as a tax compliance representative for the California Employment Development Department. She allegedly used her position to access the personal identifying information of workers throughout California, and she and her co-conspirators used that information to file fraudulent unemployment claims in the names of the unknowing victims.

The conspirators took several steps to avoid detection. In some instances, they used a Virtual Private Network designed to mask their IP addresses when making online filings. When the defendants filed claims with EDD, they usually provided the name of a fake business as the claimant's last employer. As a result, the victim's true employer was not immediately notified that a claim was filed.

Reyna participated in the scheme by receiving and facilitating EDD documents at two Stockton addresses associated or controlled by him and using at least 18 EDD debit cards issued in the names of identity-theft victims to withdraw the fraudulently obtained benefits. In total, the conspirators filed at least 269 false claims seeking over \$2.5 million in fraudulent benefits. EDD's actual overpayment was approximately \$887,199.

This case is the product of an investigation by the U.S. Department of Labor Office of Inspector General, the Federal Bureau of Investigation and the California Employment Development Department, Investigations Division. Assistant U.S. Attorney Amy Schuller Hitchcock is prosecuting the case.

On August 16, 2018, Brittany Maunakea, 29 of Manteca, was sentenced to two and a half years in prison. Gregory Lee, 56, of Antioch, has pleaded guilty and is scheduled to be sentenced on December 13, 2018. The charges against Emanuel and Russell White III, 35, of Turlock, are pending; they are presumed innocent until and unless proven guilty beyond a reasonable doubt.