

Department of Justice
U.S. Attorney's Office
Eastern District of California

FOR IMMEDIATE RELEASE

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Stockton Woman Pleads Guilty to Two Separate Fraud Conspiracies

SACRAMENTO, Calif. — Kioni M. Dogan, 38, of Stockton, pleaded guilty Tuesday to separate criminal conspiracies to submit false claims for federal income tax refunds and to commit mail fraud in connection with California state unemployment insurance benefits, U.S. Attorney McGregor W. Scott announced.

According to court documents, Dogan and her co-conspirators together illegally sought over \$2 million from the California and federal governments with these schemes.

In the tax case, Dogan conspired with her co-defendant Antonia Brasley and others to submit false tax returns to the IRS by obtaining personal identifying information from family, friends, and others, and then submitting returns seeking refunds to which the people listed on the returns were not entitled. To pursue the refunds, false statements were placed on the returns regarding income, withholding from income, and gambling losses, with fraudulent supporting tax forms. From May 2011 through April 2012, Dogan and her co-conspirators sought over \$940,000 in fraudulent tax refunds, of which approximately \$708,188 were paid out by the IRS.

In the unemployment insurance case, from 2010 through 2015, Dogan and her co-conspirators operated a "fictitious employer" scheme. Dogan created an employer with the California Employment Development Department (EDD) that was fictitious and did not conduct any business. Dogan then caused the submission of information to the EDD falsely indicating that various persons were employed by the fictitious entity. Dogan subsequently filed unemployment claims in the names of the fake employees. Co-defendants Gloria Harris and Lavonda Bailey are among the individuals alleged to have collected the fraudulent benefits, both in their own names and in the names of other fake employees. Dogan was connected to approximately \$1.3 million in fraudulent claims to EDD, of which approximately \$972,319 were paid out by EDD.

The unemployment fraud case is the product of an investigation by the U.S. Department of Labor, the California Employment Development Department, and the U.S. Postal Inspection Service. The tax fraud case was the product of an investigation by IRS Criminal Investigation. Assistant U.S. Attorney Christopher S. Hales is prosecuting both cases.

The charges against co-defendants Brasley, Harris, and Bailey remain pending. The charges are only allegations; the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

Dogan is scheduled to be sentenced by U.S. District Judge John A. Mendez on June 11, 2019. Dogan faces a maximum statutory penalty of 10 years in prison for conspiracy to submit false claims, and 20 years in prison for conspiracy to commit mail fraud, as well as a \$250,000 fine on each count. The actual sentence, however, will be determined at the discretion of the court after consideration of any applicable statutory factors and the Federal Sentencing Guidelines, which take into account a number of variables.