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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

GABRIELA LLERENAS,
aka "Maria G. Sandoval,"

Defendant.

No. CR 5:21-cr-00187-JWH
I N F O R M A T I O N
[18 U.S.C. § 1341: Mail Fraud]

The Acting United States Attorney charges:
[18 U.S.C. §§ 1341, 2(b)]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Information:

1. Defendant GABRIELA LLERENAS, also known as "Maria G. Sandoval," was a resident of Perris, California.
2. California's Employment Development Department ("EDD") was the administrator of the unemployment insurance ("UI") benefit program for the State of California.
3. On March 13, 2020, the President of the United States declared COVID-19 an emergency under the Robert T. Stafford Disaster

1 Relief and Emergency Assistance Act. As a result, Congress passed
2 the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"),
3 which the President signed into law on March 27, 2020. The CARES Act
4 provided over \$2 trillion in economic relief protections to the
5 American people from the public health and economic impacts of COVID-
6 19.

7 4. Prior to the enactment of the CARES Act, to be eligible for
8 UI administered by EDD, a person had to have been employed and worked
9 in California and received at least a certain amount of wages from an
10 employer in the 18 months preceding his/her UI benefits claim.
11 Because of this requirement, self-employed workers, independent
12 contractors, and employees with insufficient earnings were not
13 eligible to receive regular UI benefits.

14 5. The CARES Act established a new program -- Pandemic
15 Unemployment Assistance ("PUA") -- to provide unemployment benefits
16 during the COVID-19 pandemic to people who did not qualify for
17 regular unemployment insurance benefits, including business owners,
18 self-employed workers, independent contractors, and those with a
19 limited work history who were out of business or had significantly
20 reduced their services as a direct result of the pandemic. UI
21 benefits provided under the PUA program are sometimes referred to as
22 PUA benefits.

23 6. Under the PUA provisions of the CARES Act, a person who was
24 a business owner, self-employed worker, independent contractor, or
25 gig worker could qualify for PUA benefits administered by EDD if
26 he/she previously performed such work in California and was
27 unemployed, partially unemployed, unable to work, or unavailable to
28 work due to a COVID-19-related reason.

1 7. Persons applying for PUA benefits did not need to submit
2 any supporting documents to EDD with their applications. Claimants
3 entered their total income for the 2019 calendar year on the
4 application. The stated income was used to pay the minimum benefits
5 of \$167 per week. EDD could request documentation to provide proof
6 of the stated income.

7 8. A PUA claimant was required to answer various questions to
8 establish his/her eligibility for PUA benefits. The claimant was
9 required to provide his/her name, Social Security Number, and mailing
10 address. The claimant was also required to identify a qualifying
11 occupational status and COVID-19 related reason for being out of
12 work.

13 9. After it accepted a UI claim, including a claim submitted
14 pursuant to the PUA program, EDD typically deposited UI funds every
15 two weeks to an Electronic Bill Payment ("EBP") debit card
16 administered by Bank of America ("BoFA"), which the claimant could
17 use to pay for his/her expenses. The EBP card was mailed via the
18 United States Postal Service to the claimant at the address the
19 claimant provided in his/her UI application.

20 B. THE SCHEME TO DEFRAUD

21 10. Beginning no later than April 2020 and continuing through
22 at least October 2020, in Riverside and Los Angeles Counties, within
23 the Central District of California, and elsewhere, defendant
24 LLERENAS, together with others known and unknown to the Acting United
25 States Attorney, knowingly and with the intent to defraud, devised,
26 participated in, and executed a scheme to defraud EDD and the United
27 States Treasury as to material matters, and to obtain money and
28 property from EDD and the United States Treasury, namely, UI

1 benefits, including PUA benefits, by means of material false and
2 fraudulent pretenses, representations, and promises, and the
3 concealment of material facts.

4 11. The fraudulent scheme operated, in substance, as follows:

5 a. Defendant LLERENAS filed and caused the filing with
6 EDD of fraudulent applications for UI benefits that falsely asserted
7 the named claimants were self-employed independent contractors who
8 had been negatively affected by the COVID-19 pandemic, thereby
9 triggering eligibility for UI benefits under the PUA provision of the
10 CARES Act. Defendant LLERENAS obtained some of the names, Social
11 Security Numbers and other identifying information she used to submit
12 the fraudulent claims through her prior work as a tax preparer.

13 b. In some instances, defendant LLERENAS falsely asserted
14 and caused to be asserted on the UI applications submitted in
15 furtherance of the scheme that the claimants were residents of
16 California entitled to UI benefits administered by EDD when, in fact,
17 they were not and defendant knew they were not.

18 c. In some instances, defendant LLERENAS falsely asserted
19 and caused to be asserted inflated income for the named claimants on
20 their applications in order to receive the maximum benefit amount.

21 d. In some instances, defendant LLERENAS made up and
22 caused to be made up the occupation that was listed for the named
23 claimant on the application.

24 e. To the contrary, and as defendant LLERENAS then well
25 knew, many of the persons named as claimants on the applications
26 defendant LLERENAS filed and caused to be filed had no residential
27 history in the State of California and/or had not been employed in
28 the occupations defendant LLERENAS reported and caused to be reported

1 on the UI benefits applications she submitted and caused to be
2 submitted in the names of the named claimants.

3 f. By falsely asserting that the claimants had worked in
4 the State of California as independent contractors who had lost work
5 because of COVID-19, defendant LLERENAS falsely represented and
6 caused to be falsely represented that the named claimants were
7 entitled to UI benefits administered by EDD when, as defendant
8 LLERENAS then knew, they were not.

9 g. As a result of the fraudulent UI benefit claims that
10 defendant LLERENAS filed and caused to be filed, EDD authorized BofA
11 to issue EBP cards in the names of the named claimants. Defendant
12 LLERENAS knew that the applications she submitted would cause BofA to
13 mail the EBP debit cards issued to the named claimants to the
14 addresses defendant LLERENAS provided and caused to be provided on
15 the fraudulent claim applications, including in some instances
16 addresses that defendant LLERENAS and/or her associates controlled.

17 12. Through this scheme, defendant LLERENAS caused
18 approximately 197 fraudulent PUA claims to be filed with EDD
19 resulting in losses to EDD and the United States Treasury of at least
20 \$1,633,487.

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1 B. USE OF THE MAILS

2 13. On or about August 6, 2020, within the Central District of
3 California, and elsewhere, defendant LLERENAS, for the purpose of
4 executing the above-described scheme to defraud, willfully caused an
5 envelope containing a BofA debit card issued in the name of Jo. G. to
6 be sent and delivered by the United States Postal Service, according
7 to the directions thereon, to an address in Compton, California.

8
9 TRACY L. WILKISON
Acting United States Attorney

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11
12 SCOTT M. GARRINGER
Assistant United States Attorney
13 Chief, Criminal Division

14 RANEE A. KATZENSTEIN
Assistant United States Attorney
15 Chief, Major Frauds Section