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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY:

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JUSTIN D. KONIKOW,

Defendant.

CR No. 19CR00605-JAK

INFORMATION

[18 U.S.C. § 1341: Mail Fraud]

The United States Attorney charges:

[18 U.S.C. § 1341]

A. INTRODUCTORY ALLEGATIONS

1. At times relevant to this Information:

a. Defendant JUSTIN D. KONIKOW was a resident of Valley Village, California, in Los Angeles County, within the Central District of California.

b. California's Employment Development Department ("EDD") was the administrator of the federal unemployment and disability insurance benefit programs for the State of California. The EDD provided unemployment insurance ("UI") and disability insurance ("DI") benefits to claimants who the EDD determined were entitled to receive such benefits via funds EDD caused to be loaded onto debit

cards that Bank of America, N.A. ("BOA") mailed to claimants ("EDD debit cards").

B. THE SCHEME TO DEFRAUD

2. From at least in or about October 2013 and continuing through at least in or about January 2017, defendant KONIKOW, together with others known and unknown to the United States Attorney, knowingly and with intent to defraud, devised, participated in, executed and attempted to execute a scheme to defraud the United States of America, the State of California, and the EDD as to material matters, and to obtain money and property from the EDD by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts, in violation of Title 18, United States Code, Section 1341.

3. The fraudulent scheme operated, in substance, in the following manner:

a. Defendant registered fictitious companies with the EDD, submitted false wage information for individuals whom he falsely claimed worked for these companies, and then fraudulently applied for and helped obtain UI and DI benefits in the names of these individuals.

b. The fictitious companies were Amazing Events, Inc., and Paradise Weddings, Inc. (collectively "the fake companies"). Neither of the fake companies ever conducted any business or employed anyone. Defendant created and helped create the fake companies solely to carry out the scheme and registered them with the California Secretary of State to falsely make them appear to be actual businesses.

c. Defendant registered and helped others register the

fake companies with the EDD, listing addresses which he controlled or to which he had access as the business addresses for the fake companies.

d. Defendant obtained social security numbers ("SSNs"), dates of birth ("DOBs"), and other identifying information for individuals who defendant intended to identify as employees of the fake companies and in whose names defendant intended to submit fraudulent claims for UI and DI benefits to the EDD (collectively, the "fake claimants").

e. After registering the fake companies with the EDD and obtaining SSNs and DOBs for the fake claimants, defendant submitted Quarterly Contribution and Wage Adjustment Forms (EDD Forms DE-6 or DE-9C, or "wage reports") to the EDD, falsely claiming that the fake claimants had earned wages at the fake companies. Contrary to defendant's submissions to the EDD, none of the fake claimants ever worked for the fake companies, and none ever received the wages that defendant reported to the EDD. This information was material to the EDD's decision to authorize payment of the UI and DI benefits, and defendant knew at the time that he submitted the information to the EDD that it was false. In submitting this false information, defendant acted with the intent to defraud the EDD.

f. Once the fraudulent wage reports were submitted to the EDD, defendant filed and caused to be filed UI/DI benefits claims with the EDD for the fake claimants. Through these filings, defendant falsely stated that the fake claimants had been laid off from the fake companies or had become disabled from their employment with the fake companies, and that the fake claimants were entitled to UI/DI benefits from the EDD. In submitting the fraudulent UI/DI

claim forms to the EDD, defendant falsely listed addresses that defendant controlled or to which defendant had access as the home addresses of the fake claimants, including 1607 E. Florence Avenue, Los Angeles, California, 90001. In submitting the fraudulent UI/DI claim forms, defendant acted with the intent to defraud the EDD.

g. As a result of defendant's false submissions, the EDD directed BOA to send by U.S. mail EDD debit cards to the fake claimants at the addresses that defendant had listed for the fake claimants on the fraudulent UI/DI claim forms. In submitting claims for UI/DI benefits in the names of the fake claimants, defendant knew that the EDD debit cards would be sent by mail.

h. After defendant received the EDD debit cards, defendant would withdraw the fraudulent UI/DI benefit payments from BOA accounts linked to the EDD debit cards.

i. In order to receive additional fraudulent UI/DI benefits using the EDD debit cards, defendant submitted and caused to be submitted to the EDD additional forms (EDD Forms DE-4581) in the names of the fake claimants which claimed that the fake claimants were still unemployed/disabled and entitled to continue to receive UI/DI benefits.

4. In total, defendant submitted and caused to be submitted at least 27 fraudulent claims to the EDD seeking $253,008 in UI/DI benefits on behalf of at least 15 fake claimants.

C. USE OF THE MAILS

5. On or about November 24, 2014, within the Central District of California and elsewhere, defendant, for the purpose of executing and attempting to execute the above-described scheme to defraud, willfully caused an EDD debit card carrying UI benefits in the amount

of $450 in the name of P.H., a fake claimant, to be placed in an authorized depository for mail matter to be sent and delivered by the United States Postal Service according to the directions thereon, that is, 1607 E. Florence Avenue, Los Angeles, California, 90001.

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