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EASTERN DISTRICT OF CALIFORNIA**

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7

8 IN THE UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA
10

11 UNITED STATES OF AMERICA,
12 Plaintiff,

13 v.

14 KENNETH RAY HAWKINS,
15 JACQUELINE MARIE MARQUEZ,
16 ALYSSA MARIE JONES, and
EBONY CHANEL JONES,
17 Defendants.

CASE NO. 2:21-cr-93 WBS

18 U.S.C. § 1349 – Conspiracy to Commit Mail
Fraud; 18 U.S.C. § 1341 – Mail Fraud (15 counts); 18
U.S.C. §§ 982(a)(2), 981(a)(1)(C), and 28 U.S.C. §
2461(c) – Criminal Forfeiture

18
19 INDICTMENT

20 COUNT ONE: [18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud]

21 The Grand Jury charges:

22
23 KENNETH RAY HAWKINS,
JACQUELINE MARIE MARQUEZ,
24 ALYSSA MARIE JONES, and
EBONY CHANEL JONES,

25 defendants herein, as follows:

26 INTRODUCTION

27 At times material:

28 1. Since 1935, the U.S. Department of Labor’s Unemployment Insurance (UI) program has

1 provided unemployment benefits to eligible workers who become unemployed through no fault of their
2 own. This program ensures that at least a significant portion of the necessities of life – most notably
3 food, shelter, and clothing – are met on a weekly basis while the worker seeks employment. UI
4 beneficiaries who meet the requirements of the applicable state law are eligible for this temporary
5 financial assistance. Each state administers a separate UI program within the guidelines established by
6 Federal law. In the State of California, the Employment Development Department (EDD) administers
7 the UI program for residents and others physically performing work activities in California.

8 2. Generally, regular UI claimants must be: 1) unemployed through no fault of their own; 2)
9 able and available for work; 3) willing to accept suitable work; and 4) actively seeking work.

10 3. On March 13, 2020, the President of the United States declared COVID-19 an emergency
11 under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. As a result, Congress
12 passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), which the President
13 signed into law on March 27, 2020. The CARES Act provided over \$2 trillion in economic relief
14 protections to the American people from the public health and economic impacts of COVID-19.

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

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

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

1 unemployed, unable to work, or unavailable to work due to a COVID-19-related reason. Examples of
2 non-business-owner occupations that may qualify a person for PUA benefits included realtor, barber,
3 hairstylist, freelance photographer, construction handyman/woman, gardener, and ride-share driver.

4 7. EDD began accepting applications for PUA benefits on April 28, 2020. To make benefits
5 available as quickly as possible, payments were issued in phases. If a claimant qualified for PUA
6 benefits, the minimum payments were as follows based on the claim's start date:

7 Phase 1: For claims with start dates from February 2 to March 28, 2020, \$167 per week
8 for each week the claimant is unemployed due to COVID-19.

9 Phase 2: For claims with start dates from March 29 to July 25, 2020, \$167 plus \$600 per
10 week for each week the claimant is unemployed due to COVID-19.

11 Phase 3: For claims with start dates from July 26 to December 26, 2020, \$167 per week
12 for each week the claimant is unemployed due to COVID-19.

13 8. PUA applicants were potentially eligible for more than the minimum weekly benefit
14 amount of \$167 if their annual income for 2019 reported on the PUA application met a minimum
15 threshold.

16 9. A UI claimant could usually collect 26 weeks of regular state UI benefits. The CARES
17 Act provides for additional Pandemic Emergency Unemployment Compensation ("PEUC"), which
18 provided up to 13 weeks of additional payments, for a total of 39 weeks of benefits. PEUC was available
19 to persons who were fully or partially unemployed at any time between from March 29 and December
20 26, 2020. Persons with a regular UI claim, a PUA claim, or a PEUC extension filed between March 29
21 and July 25, 2020, also received Federal Pandemic Unemployment Compensation ("FPUC"), which was
22 the extra \$600 per week.

23 10. Many persons that applied for PUA benefits did not need to submit any supporting
24 documents to the EDD with their applications. Claimants entered their total income for the 2019
25 calendar year on the application. The stated income was then used to pay the minimum benefits of \$167
26 per week. EDD sometimes requested documentation to provide proof of the stated income.

27 11. Like regular UI claims, PUA claims could be filed online. When an individual filed a
28 PUA claim online, EDD automatically maintained certain information regarding the filing of the claim.

1 This information included the date and time the claim was submitted, the name of the person for whom
2 the claim was filed, and the IP address of the computer, or ISP account, that was used to file the claim.

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

7 13. After it accepted a UI claim, including a claim submitted pursuant to the PUA program,
8 EDD typically deposited UI funds every two weeks to an Electronic Benefit Payment (EBP) debit card
9 administered by Bank of America, N.A., which the claimant could use to pay for his/her expenses. The
10 EBP card was sent via the U.S. Postal Service to the claimant at the address the claimant provided in
11 their UI claim. Claimants could activate their debit card over the phone or online and could use the card
12 to withdraw the UI funds from Automatic Teller Machines (ATMs).

13 14. When receiving UI benefits, including PUA benefits, a claimant was required to complete
14 a Continued Claim Form (DE 4581) and certify every two weeks, under penalty of perjury, that he/she
15 remained unemployed and eligible to receive UI benefits. EDD authorized and deposited payments to
16 the EBP debit card after it received the Continued Claim Form. Weekly PUA benefits typically ranged
17 from \$40 to \$450.

18 15. Defendant KENNETH RAY HAWKINS was incarcerated at Deuel Vocational
19 Institution (DVI), a California state prison, in Tracy, California.

20 16. Defendant JAQUELINE MARIE MARQUEZ resided in Barstow, California and moved
21 to Las Vegas, Nevada in or about mid-2020.

22 17. Defendant ALYSSA MARIE JONES resided in Moreno Valley, California and moved to
23 Las Vegas, Nevada, in or about September 2020.

24 18. Defendant EBONY CHANEL JONES resided in Barstow, California.

25 THE CONSPIRACY

26 19. Beginning at least as early as in or about June 2020, and continuing through in or about
27 January 2021, in the State and Eastern District of California, and elsewhere, HAWKINS, MARQUEZ,
28 A. JONES, and E. JONES knowingly and intentionally conspired among themselves and with each

1 newly unemployed due to a disaster including the COVID-19 pandemic; and were currently available to
2 work. As the conspirators were aware, these claims were false, in that the inmates and other individuals
3 were not so previously working, employed, newly unemployed, or seeking new employment.

4 Particularly, Inmates 1 through 14 were not newly unemployed and seeking new employment because
5 they were incarcerated. The conspirators knew that these representations regarding the claimants'
6 employment and availability to work were false at the time they were made and submitted to California
7 EDD.

8 25. The false and fraudulent representations contained in the underlying UI and PUA
9 applications, including, without limitation, the claims for Inmates 1 through 14, were material to the
10 claims being approved by California EDD. For example, EDD used the false information on the UI and
11 PUA benefit applications to approve and calculate the fraudulent UI and PUA benefits ultimately paid
12 out. California EDD would have denied a claim if an individual had answered truthfully that, for
13 example, he/she had not worked within the prescribed period or was unavailable to work (including that
14 he/she was unavailable due to incarceration).

15 26. The conspirators' scheme to defraud caused California EDD to deposit benefit funds into
16 debit card accounts administered by Bank of America for the conspirators' false and fraudulent claims.
17 Bank of America then mailed the debit cards via United States mail to addresses the conspirators
18 provided to EDD and Bank of America in the false and fraudulent applications and by other means.
19 Each of these addresses was a residence under the control of at least one conspirator.

20 27. The conspirators used the scheme's proceeds for their own benefit and for the benefit of
21 others who were also not entitled to the UI and PUA funds.

22 28. In carrying out the conspiracy, the conspirators at all times material acted with the intent
23 to defraud.

24 29. As a result of conspirator's acts and conduct in furtherance of the conspiracy, the
25 conspirators submitted, and caused to be submitted, false and fraudulent claims for UI and PUA benefits
26 to California EDD exceeding \$1,200,000, and caused California EDD and the United States to incur
27 losses exceeding \$900,000.

28 All in violation of Title 18, United States Code, Section 1349.

1 COUNTS TWO THROUGH SIXTEEN: [18 U.S.C. § 1341 – Mail Fraud]

2 The Grand Jury further charges:

3
4 KENNETH RAY HAWKINS,
5 JACQUELINE MARIE MARQUEZ,
6 ALYSSA MARIE JONES, and
7 EBONY CHANEL JONES,

8 defendants herein, as follows:

9 THE SCHEME AND ARTIFICE TO DEFRAUD

10 1. Paragraphs 1 through 18 of Count One are reincorporated as if fully set forth herein.

11 2. Beginning at least as early as in or about June 2020, and continuing through in or about
12 January 2021, in the State and Eastern District of California, and elsewhere, HAWKINS, MARQUEZ,
13 A. JONES, and E. JONES knowingly and intentionally devised, intended to devise, and participated in,
14 with the intent to defraud, a material scheme and artifice to defraud California EDD and the United
15 States of money and property, and to obtain money and property from California EDD and the United
16 States by means of materially false and fraudulent pretenses, representations, promises, and the
17 concealment of material facts.

18 3. The purpose of the scheme and artifice to defraud was to obtain money and property from
19 California EDD and the United States by submitting fraudulent UI and PUA claims to EDD.

20 MANNER AND MEANS

21 4. In furtherance of the scheme and artifice to defraud and to obtain money and property,
22 HAWKINS, MARQUEZ, A. JONES, and E. JONES, and others known and unknown to the Grand
23 Jury, employed, among others, the following manner and means:

24 5. Paragraphs 21 through 29 of Count One are reincorporated as if fully set forth herein.

25 MAILINGS

26 6. On or about the dates set forth below, in the State and Eastern District of California, and
27 elsewhere, for the purpose of executing the aforementioned scheme and artifice to defraud, and
28 attempting to do so, HAWKINS, MARQUEZ, A. JONES, and E. JONES knowingly and intentionally
caused, according to their direction, the following mail matter to be placed in a post office and an
authorized depository for mail matter and to be sent and delivered by the U.S. Postal Service:

COUNT	DATE	MAIL MATTER
2	June 17, 2020	EDD debit card ending in -6776, administered by Bank of America, mailed to Barstow, CA
3	June 25, 2020	EDD debit card ending in -2554, administered by Bank of America, mailed to San Bernardino, CA
4	July 3, 2020	EDD debit card ending in -9647, administered by Bank of America, mailed to Los Angeles, CA
5	July 15, 2020	EDD debit card ending in -6640, administered by Bank of America, mailed to San Bernardino, CA
6	July 22, 2020	EDD debit card ending in -9622, administered by Bank of America, mailed to San Bernardino, CA
7	July 22, 2020	EDD debit card ending in -6381, administered by Bank of America, mailed to San Bernardino, CA
8	July 25, 2020	EDD debit card ending in -8384, administered by Bank of America, mailed to San Bernardino, CA
9	July 29, 2020	EDD debit card ending in -4289, administered by Bank of America, mailed to San Bernardino, CA
10	July 29, 2020	EDD debit card ending in -9721, administered by Bank of America, mailed to Rialto, CA
11	July 30, 2020	EDD debit card ending in -6150, administered by Bank of America, mailed to San Bernardino, CA
12	August 4, 2020	EDD debit card ending in -7772, administered by Bank of America, mailed to Barstow, CA
13	August 5, 2020	EDD debit card ending in -8089, administered by Bank of America, mailed to Moreno Valley, CA
14	August 16, 2020	EDD debit card ending in -1604, administered by Bank of America, mailed to Moreno Valley, CA
15	August 20, 2020	EDD debit card ending in -6135, administered by Bank of America, mailed to San Bernardino, CA
16	September 8, 2020	EDD debit card ending in -7059, administered by Bank of America, mailed to Barstow, CA

All in violation of Title 18, United States Code, Section 1341.

FORFEITURE ALLEGATION: [18 U.S.C. §§ 982(a)(2), 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Count One through Sixteen of the Indictment, defendants KENNETH RAY HAWKINS, JACQUELINE MARIE MARQUEZ, ALYSSA MARIE JONES, and EBONY CHANEL JONES shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C), § 982(a)(2)(B) and 28 U.S.C. § 2461(c), all property, real and personal, which constitutes or is derived from proceeds traceable to such violations, including but not limited to a sum of

1 money equal to the total amount of money involved in the offenses, for which the defendants are
2 convicted.

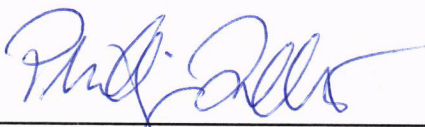
3 2. If any property subject to forfeiture, as a result of the offenses alleged in Counts One
4 through Sixteen of this Indictment, for which the defendants are convicted:

- 5 a. cannot be located upon the exercise of due diligence;
- 6 b. has been transferred or sold to, or deposited with, a third party;
- 7 c. has been placed beyond the jurisdiction of the court;
- 8 d. has substantially diminished in value; or
- 9 e. has been commingled with other property which cannot be divided without difficulty;

10 it is the intent of the United States, pursuant to 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c),
11 incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of defendants, up to the value
12 of the property subject to forfeiture.

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14
15
16 A TRUE BILL.

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19 
20 FOREPERSON

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20 PHILLIP A. TALBERT
Acting United States Attorney