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FORMER EDD EMPLOYEE SENTENCED TO 5 YEARS IN PRISON FOR FRAUDULENTLY PROVIDING DISABILITY PAYMENTS TO FRIENDS

SACRAMENTO, Calif. — United States Attorney Benjamin B. Wagner announced today that Audrey Renee Bell, 49, of Pacoima, Calif., was sentenced today by Senior United States District Judge Lawrence K. Karlton to five years in prison to be followed by three years of supervised release, and ordered to pay \$100,000 in restitution in connection with a scheme to defraud the California Employment Development Department. Bell pleaded guilty in November 2009 after the prosecutors rested their case after a two-week jury trial.

This case was the product of an extensive investigation by the State of California Employment Development Department Investigation Division. Assistant United States Attorneys Matthew Stegman and Michael Anderson prosecuted the case.

The evidence at trial showed that between July 2003 and January 2006, Bell defrauded EDD of over \$110,000. EDD pays disability insurance benefits to California workers who become disabled. Bell was a "Disability Insurance Program Representative" in EDD's Van Nuys office who reviewed and authorized payments on disability claims.

Calls to the EDD fraud hotline (800-229-6297) led to the investigation. The first call reported that an EDD employee known as "Star" had illegally given disability insurance benefits to a friend. Another anonymous caller reported that a claimant was collecting disability benefits while employed full time. The follow-up investigation revealed that both claims were handled by Bell, who goes by the nickname "Star."

Evidence at trial showed that in order to authorize payments to her friends, Bell made entries in the EDD computer system that falsely indicated she had received the required paper documents to substantiate the claims, such as doctor's certifications, when in fact she had not received any such documentation. These false entries caused disability benefit checks to be mailed to her friends. After the friends received the checks in the mail, Bell instructed her friends to cash the checks and meet her in locations such as parking lots and restaurants where Bell took a cut of the fraud proceeds.

At trial, a number of Bell's friends testified against her, saying that they committed fraud with Bell, and that Bell generally took a cut of about half the money. In addition, a chiropractor testified that he would meet Bell in a post office parking lot to collect cash from Bell in exchange for certifying that Bell's friends were disabled.

"EDD appreciates the joint partnership with the U.S. Attorney's Office in successfully prosecuting this fraud case," said Lisa Curtis, Chief of EDD's Investigation Division. "Disability Insurance benefits are vitally important to Californians, and EDD actively pursues anyone who defrauds the system so benefits are preserved for those in need."

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