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FILED

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CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

KIONI DOGAN,
GLORIA HARRIS, and
LAVONDA BAILEY,

Defendants.

CASE NO. **2:16 - CR - 0199 KJM**

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

INDICTMENT

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

The Grand Jury charges:

KIONI DOGAN,
GLORIA HARRIS, and
LAVONDA BAILEY

defendants herein, as follows,

I. INTRODUCTION

1. The State of California Employment Development Department (“EDD”) was the department of the State of California that administered the Unemployment Insurance (“UI”) program for the State of California.

2. An employer was required to register with the EDD within fifteen days of paying \$100 or

1 more in wages to one or more employees. An employer registered by submitting Form DE-1, the
2 Registration Form for Commercial Employees. The DE-1 Form included, among other things, spaces
3 for the company's name, address, number of employees, owner, and type of business. After receiving
4 the DE-1 from a new employer, the EDD assigned that employer an Employer Account Number (EAN).

5 3. Individuals who were laid off by an employer were eligible to receive UI benefits. The
6 amount of weekly UI benefits paid to a claimant was based on that claimant's prior earnings. In order to
7 receive benefits, a UI claimant was required to provide information to the EDD, including the claimant's
8 name, social security number, and previous employer. Prior to making payment on the claim, the EDD
9 verified that the claimant had earnings reported to the EDD by his/her employer. Employers reported
10 wages that they paid their employees to EDD by submitting Wage and Withholding reports, generally,
11 Form DE-9C.

12 4. When payments for a benefit claim was made, federal funds were transmitted through a
13 series of wire transmissions and other transactions, including at least one interstate wire transmission,
14 which originated in the Unemployment Insurance Trust Fund at the Federal Treasury in Washington,
15 D.C. and ended in the state of California. The final wire placed the money at the Bank of America in
16 Sacramento, California. Such funds were then paid to debit cards in the names of such claimants.
17 Those debit cards were mailed to an address provided by the claimant.

18 5. As long as wages were reported by an employer, EDD would pay UI benefits even
19 though the employer may not have paid any payroll taxes to EDD. If no payroll taxes had been paid by
20 the employer, EDD would attempt to collect the delinquent payroll taxes owed by the employer.
21 However, an employer's delinquency would not affect a claimant's eligibility for benefits.

22 II. THE CONSPIRACY

23 6. Beginning on or about November 15, 2010, and continuing through on or about
24 December 9, 2015, in the State and Eastern District of California and elsewhere, defendants KIONI
25 DOGAN, GLORIA HARRIS, and LAVONDA BAILEY, and others known and unknown to the Grand
26 Jury, did knowingly and willfully agree, combine, and conspire to execute through the use of the mails a
27 material scheme and artifice to defraud the State of California, and to obtain money from the State of
28 California by means of materially false and fraudulent pretenses, representations, promises, and the

concealment of material facts, in violation of Title 18, United States Code, Section 1341.

III. MANNER AND MEANS

The defendants used the following manner and means, among others, to accomplish the objects of the conspiracy:

7. DOGAN, and another individual known to the Grand Jury, created fictitious employers by submitting fictitious employer and company information to the EDD. The information submitted to the EDD included a fictitious company name, business address, and owner. In response, the EDD provided DOGAN with EANs for those fictitious employers.

8. After a fictitious employer was created, defendant DOGAN created fictitious employees for that company. These fictitious employees were usually DOGAN's friends, but were, at times, also victims of identity theft.

9. After identifying the identities that would be used for the scheme, defendant DOGAN then used the previously provided EAN to submit Form DE-9C Wage and Withholding reports to the EDD Employment Tax Office listing fictitious payments to the fictitious employees for the fictitious company.

10. The information reported to the EDD on the DE-9C was false and material to EDD's decision to pay and continue paying benefits.

11. Once having submitted the DE-9C Wage and Withholding Reports, defendant DOGAN contacted the EDD posing as one of the fictitious laid-off employees and requested unemployment benefits. At that time, defendant DOGAN provided the employee's name, social security number, and previous employer to the EDD. The information submitted to the EDD during the actual claim process was false and material to the EDD's decision to pay benefits.

12. After verifying that earnings had been reported by an employer for the employee claiming benefits, the EDD filed the claim and sent by the Postal Service an EDD Bank of America debit card to an address provided by the purported claimant, an address usually controlled by defendant DOGAN and others known and unknown to the Grand Jury. During the course of the claim, benefits were periodically wired into the card by the EDD. The EDD debit cards mailed in furtherance of the conspiracy were sent, at times, to addresses controlled by HARRIS and BAILEY. HARRIS and

1 BAILEY were also among the individuals who withdrew the fraud proceeds from the individual cards of
2 the fictitious employees. This included claims in the names of multiple different individuals and, in the
3 case of BAILEY, fraudulent claims in her own name.

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

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

6 The Grand Jury further charges: T H A T

7 KIONI DOGAN,

8 defendant herein, as follows:

9 1. Paragraphs 1 through 5 and 7 through 12 of Count One are fully incorporated by
10 reference as though fully set forth herein.

11 2. Beginning on or about November 15, 2010, and continuing through on or about
12 December 9, 2015, in the State and Eastern District of California, and elsewhere, defendant KIONI
13 DOGAN, and others known and unknown to the Grand Jury, knowingly devised, intended to devise, and
14 participated in a material scheme and artifice to defraud the State of California, and to obtain money
15 from the State of California by means of materially false and fraudulent pretenses, representations, and
16 promises.

17 3. On or about the dates set forth below, for the purposes of executing the scheme and
18 artifice to defraud, and attempting to do so, defendant KIONI DOGAN knowingly caused the following
19 items to be delivered by the Postal Service to the addresses listed below:

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COUNT	DATE	MAIL MATTER
2	June 12, 2012	EDD Bank of America debit card, account number ending 6390, mailed to 1220 Hunter #3, Stockton, CA
3	October 10, 2012	EDD Bank of America debit card, account number ending 4433, mailed to 2230 Pisa Cir., Stockton, CA 95205
4	September 25, 2012	EDD Bank of America debit card, account number ending 0950, mailed to 3591 Quail Lakes Drive, #102, Stockton, CA
5	August 6, 2013	EDD Bank of America debit card, account number ending 2899, mailed to 840 Yerba Buena Ave, Stockton, CA
6	April 2, 2014	EDD Bank of America debit card, account number ending 2732, mailed to 1964 Quaker Ridge Ct., Stockton, CA
7	April 14, 2014	EDD Bank of America debit card, account number ending 1313, mailed to 3319 Bixby Way, Stockton, CA
8	April 22, 2014	EDD Bank of America debit card, account number ending 1740, mailed to 1964 Quaker Ridge Ct., Stockton, CA
9	July 29, 2014	EDD Bank of America debit card, account number ending 8598, mailed to 2902 Amherst Drive, Stockton, CA
10	July 29, 2014	EDD Bank of America debit card, account number ending 1767, mailed to 333 Malbec Ct., Stockton, CA
11	August 5, 2014	EDD Bank of America debit card, account number ending 8756, mailed to 1768 E Worth St., Stockton, CA
12	August 12, 2014	EDD Bank of America debit card, account number ending 8321, mailed to 4525 Maple Plain Ave., Elk Grove, CA
13	August 12, 2014	EDD Bank of America debit card, account number ending 0621, mailed to 4525 Maple Plain Ave, Elk Grove, CA
14	August 18, 2014	EDD Bank of America debit card, account number ending 0761, mailed to 3319 Bixby Way, Stockton, CA
15	August 31, 2015	EDD Bank of America debit card, account number ending 7285, mailed to 2026 Scribner St., Stockton, CA

16	October 28, 2015	EDD Bank of America debit card, account number ending 4688, mailed to 2026 Scribner St., Stockton, CA
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In violation of Title 18, United States Code, Section 1341.

FORFEITURE ALLEGATION: [18 U.S.C. § 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 Counts One through Sixteen of this Indictment, defendants KIONI DOGAN, GLORIA HARRIS, and LAVONDA BAILEY shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) 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 the following:

a. A sum of money equal to the amount of proceeds traceable to such offenses, for which defendants are convicted.

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

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

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1 it is the intent of the United States, pursuant to 28 U.S.C. § 2461(c), incorporating 21 U.S.C. § 853(p), to
2 seek forfeiture of any other property of said defendants, up to the value of the property subject to
3 forfeiture.

4 A TRUE BILL.

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6 **/s/ Signature on file w/AUSA**

FOREPERSON

7 
8 PHILLIP A. TALBERT
9 Acting United States Attorney

2:16 - CR - 0199 KJM

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

KIONI M. DOGAN,
GLORIA HARRIS,
LAVONDA BAILEY

NO BAIL WARRANT PENDING HEARING

INDICTMENT

VIOLATIONS: 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud;
18 U.S.C. § 1341 – Mail Fraud (15 Counts);
18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this 13 day

of October, A.D. 2016

Clerk.

NO BAIL WARRANT PENDING HEARING

Carolyn K. Delaney

Carolyn K. Delaney
U.S. Magistrate Judge
GPO 863 525

United States v. Kioni Dogan
Penalties for Indictment

Defendants

**KIONI DOGAN
GLORIA HARRIS
LAVONDA BAILEY**

COUNT 1: ALL DEFENDANTS

VIOLATION: 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud

PENALTIES: NMT 20 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 2 - 16: KIONI DOGAN

VIOLATION: 18 U.S.C. § 1341 – Mail Fraud

PENALTIES: NMT 20 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

FORFEITURE ALLEGATION: all Defendants

VIOLATION: 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture

PENALTIES: As stated in the charging document