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United States of America

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

10 UNITED STATES OF AMERICA,
11
Plaintiff,
12
v.
13 JASON VERTZ,
14 and ALANA POWERS,
15
Defendants.

Case No. 1:21-cr-00054-DAD-BAM

VIOLATIONS: 18 U.S.C. § 1349 – Conspiracy to
Commit Mail Fraud; 18 U.S.C. § 1028A(a)(1) –
Aggravated Identity Theft (Two Counts); 18 U.S.C.
§ 981(a)(1)(C), and 28 U.S.C. § 2461(C) – Criminal
Forfeiture

Under Seal

16
17 INDICTMENT

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

19 The Grand Jury charges:

20 JASON VERTZ and
21 ALANA POWERS,

22 defendants herein, as follows:

23 INTRODUCTION

24 1. At all times relevant to this Indictment, defendant ALANA POWERS was an inmate
25 incarcerated at the California Department of Corrections and Rehabilitation’s Central California
26 Women’s Facility (“CCWF”), which is located in Chowchilla, California, in the State and Eastern
27 District of California. Defendant JASON VERTZ was living in Fresno California, in the State and
28 Eastern District of California.

1 2. Defendants VERTZ and POWERS regularly communicated through email and telephonic
2 means with each other while POWERS was incarcerated.

3 **BACKGROUND ON CALIFORNIA’S UNEMPLOYMENT INSURANCE SYSTEM**

4 3. The Social Security Act of 1935 established the Federal and State Unemployment
5 Insurance System (“UI”), which provides benefits to persons out of work through no fault of their own.
6 The California Employment Development Department (“California EDD”) administers UI for the State
7 of California and the United States. UI benefits payments are funded by a combination of federal and
8 California state funds.

9 4. Before March 2020, only individuals who were wage earners were eligible to receive UI
10 benefits. Individuals who were self-employed, independent contractors, business owners, and part-time
11 workers were ineligible. The amount of weekly UI benefits paid to an individual was based on his or
12 her having worked and earned at least a certain amount of wages over a prescribed period and ranged
13 from \$40 to \$450 per week for up to twenty-six weeks.

14 5. In or around March 2020, the Federal Coronavirus Aid, Relief, and Economic Security
15 (“CARES”) Act was signed into law, Pub. L. 116-136. The CARES Act made significant changes to UI
16 benefits that included:

17 a. Making individuals who were self-employed, independent contractors, business
18 owners, and part-time workers eligible to receive UI benefits;

19 b. Extending UI benefits for thirteen weeks beyond the standard twenty-six week
20 period, for a total benefit period of thirty-nine weeks. Subsequent legislative changes extended the
21 benefit period for another seven weeks for a new total benefit period of forty-six weeks; and

22 c. Increasing benefits by \$600 per week from March 29, 2020, through July 25,
23 2020.

24 6. In or around August 2020, a Presidential Executive Order increased UI benefits by \$300
25 per week from July 26, 2020, through September 5, 2020. Overall, more than \$300 billion in additional
26 federal funds have been appropriated for UI benefits in 2020.

27 7. An individual can apply to California EDD for UI benefits by submitting a claim in-
28 person at any field office, by mail, or online, and the claim can be paid retroactively to the date that the

1 money and property, and caused money and property to be obtained from California EDD and the
2 United States, by the following manner, means, and acts, among others:

3 a. In furtherance of the conspiracy, defendants VERTZ and POWERS
4 communicated with each other through, among other methods, telephone calls and emails.

5 b. Defendant POWERS provided her name, date of birth, and social security number
6 to defendant VERTZ for the purpose of submitting a fraudulent California EDD UI claim in POWERS'
7 name. VERTZ was aware from his communications with POWERS that POWERS was not employed
8 or newly unemployed, but was incarcerated at CCWF at all times relevant to this Indictment.

9 c. Defendant POWERS also obtained the names, dates of birth, and social security
10 numbers for other inmates who were incarcerated at CCWF, and who were not otherwise employed or
11 newly unemployed for purposes of UI benefits at any time relevant to this Indictment. POWERS
12 provided these inmates' information to defendant VERTZ for the purpose of submitting fraudulent
13 California EDD UI claims in those inmates' names. The inmate identities included, but were not limited
14 to, inmates C.G., M.P., C.R., and B.W. VERTZ and POWERS were both aware that these inmates were
15 incarcerated at CCWF at all times relevant to this Indictment.

16 d. Defendants VERTZ and POWERS subsequently caused fraudulent California
17 EDD UI claims to be submitted in POWERS'S and the other inmates' names, knowing that none of the
18 inmates were eligible for UI benefits. The underlying applications contained false and fraudulent
19 representations, including, but not limited to, that the inmates had worked between February and
20 September 2020 as wage earners or were self-employed as maids, cleaners, or fabrication welders, or
21 other occupations, and that they were currently available to work. As VERTZ and POWERS were
22 aware, these claims were false in that POWERS and the other inmates were not so previously employed
23 or newly unemployed, but were incarcerated and not employed within the relevant time period. VERTZ
24 and POWERS knew that these representations regarding POWERS' and the other inmates' employment,
25 wages, and availability to work were false at the time they were made and submitted to California EDD.

26 e. Defendants VERTZ and POWERS communicated with each other regarding the
27 status of the fraudulent California EDD UI claims and the transfer of funds from VERTZ to POWERS
28 related to the claims.

1 f. The false and fraudulent representations contained in the underlying UI
2 applications, including, but not limited to, the claims for defendant POWERS, C.G., M.P., C.R, and
3 B.W., were material to the claims being approved by California EDD. California EDD will deny a
4 claim if an individual has not worked within the prescribed period or is unavailable to work, including
5 unavailability due to incarceration.

6 g. The defendants' scheme to defraud caused California EDD to load benefit funds
7 on debit cards for the false and fraudulent claims made by defendants VERTZ and POWERS. Bank of
8 America, N.A. then mailed the debit cards via United States mail with benefit funds paid on the false
9 claims to the addresses provided in the false and fraudulent claims, including addresses in the Eastern
10 District of California and elsewhere.

11 h. Defendants VERTZ and POWERS used the proceeds from their scheme to
12 defraud for their own benefit and for the benefit of others who were also not entitled to the UI funds. In
13 one instance, VERTZ told POWERS that he would transfer portions of the funds to other inmates for
14 their personal use. Specifically, VERTZ and POWERS discussed how each other inmate would receive
15 \$600 and that VERTZ and POWERS would keep the remaining funds.

16 i. In carrying out the conspiracy, defendants VERTZ and POWERS at all times
17 acted with the intent to defraud.

18 j. As a result of the conduct of defendants VERTZ and POWERS in furtherance of
19 the conspiracy, the defendants submitted and caused to be submitted false and fraudulent claims for
20 benefits to California EDD exceeding \$260,000, and caused California EDD and the United States to
21 incur losses of over \$103,000.

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

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COUNTS TWO AND THREE: [18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft]

The Grand Jury further charges:

JASON VERTZ and
ALANA POWERS,

defendants herein, as follows:

12. Paragraphs 1 through 11, inclusive, are incorporated by reference as though fully set forth herein.

13. The term “means of identification” means any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual, including any name, date of birth, driver’s license number, or social security number.

14. On or about the dates set forth below, in the State and Eastern District of California and elsewhere, defendants VERTZ and POWERS did knowingly transfer, use, and possess the means of identification of another person without lawful authority, to wit: they knowingly transferred, used, and possessed the means of identification of C.G. and B.W., including, but not limited to, their names, dates of birth, driver’s license numbers, and social security numbers, during and in relation to an unlawful activity that constitutes a violation of federal law, to wit: conspiracy to commit mail fraud in violation of Title 18, United States Code, Section 1349, as follows:

COUNT	DATE	PERSON	MEANS OF IDENTIFICATION	CORRESPONDING COUNT
TWO	08/11/20	C.G.	C.G.’s name, date of birth, driver’s license number, and social security number transmitted via email between VERTZ and POWERS	ONE
THREE	08/13/20	B.W.	B.W.’s name, date of birth, driver’s license number, and social security number transmitted via email between VERTZ and POWERS	ONE

All in violation of Title 18, United States Code, Section 1028A(a)(1).

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

2 Upon conviction of one or more of the offenses alleged in Counts One through Three of
3 this Indictment, defendants JASON VERTZ and ALANA POWERS shall forfeit to the United States,
4 pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, which
5 constitutes or is derived from proceeds traceable to such violations, including but not limited to:

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

8 If any property subject to forfeiture as a result of the offenses alleged in Counts One
9 through Three of this Indictment for which defendants are convicted:

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

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

19
20 A TRUE BILL.

21
22 /s/ Signature on file w/AUSA

23 FOREPERSON

24
25 MCGREGOR W. SCOTT
United States Attorney

26 **KIRK E. SHERRIFF**

27 KIRK E. SHERRIFF
Chief, Fresno Office
28 Assistant United States Attorney

SEALED

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

1:21-cr-00054-DAD-BAM

THE UNITED STATES OF AMERICA

vs.

JASON VERTZ, and
ALANA POWERS

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud;
18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft (Two Counts);
18 U.S.C. § 981(a)(1)(C), and 28 U.S.C. § 2461(C) – Criminal Forfeiture

A true bill,

151

Foreman.

Filed in open court this _____ *day*

of _____ *, A.D. 20* _____

Clerk.

Bail, \$ _____ *AS PREVIOUSLY SET*

Stanley A. Boone

AO 257

(Rev. 9/92) YES: SAB conflict in USAO (before 01/01/13) YES: SKO conflict in USAO (Before 4/12/10) PER 18 U.S.C. 3170

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION -- IN U.S. DISTRICT COURT

BY COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING: Case No.

Name of District Court, and/or Judge/Magistrate Judge Location (City)
EDCA

Fresno, CA

OFFENSE CHARGED

PLEASE SEE INDICTMENT

- Petty
- Minor
- Misdemeanor
- Felony

Place of offense County of Madera U.S.C. Citation Please see Indictment

DEFENDANT -- U.S. vs.
JASON VERTZ

Address {
Birth Date { Male Alien
 Female (if applicable)

(Optional unless a juvenile)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
FBI SA Kathryn Baker

- person is awaiting trial in another Federal or State Court, give name of court
- this person/proceeding is transferred from another district per FRCrP 20 21 40. Show District
- this is a re prosecution of charges previously dismissed which were dismissed on motion of:
 - U.S. Att'y Defense
- this prosecution relates to a pending case involving this same defendant
- prior proceedings or appearance(s) before U.S. Magistrate Judge regarding this defendant were recorded under

SHOW DOCKET NO.

MAGISTRATE JUDGE CASE NO.

DEFENDANT

IS NOT IN CUSTODY

- 1) Has not been arrested, pending outcome of this proceeding
If not detained, give date any prior summons was served on above charges
- 2) Is a Fugitive
- 3) Is on Bail or Release from (show District)

IS IN CUSTODY

- 4) On this charge
- 5) On another conviction
- 6) Awaiting trial on other charges } Fed'l State
If answer to (6) is "Yes," show name of institution

Has detainer been filed? Yes No
If "Yes," give date filed
Mo. Day Year

DATE OF ARREST

Or ... if Arresting Agency & Warrant were not Federal
Mo. Day Year

DATE TRANSFERRED TO U.S. CUSTODY

This report amends AO 257 previously submitted

Name and Office of Person Furnishing Information on THIS FORM Sara Thomas

U.S. Att'y Other U.S. Agency

Name of Asst. U.S. Att'y (if assigned) Alexandre M. Dempsey

FORFEITURE ALLEGATION

ADDITIONAL INFORMATION OR COMMENTS

Penalties: See Penalty Slip. Please Issue No Bail Warrant.

AO 257

(Rev. 9/92) YES: SAB conflict in USAO (before 01/01/13) YES: SKO conflict in USAO (Before 4/12/10) PER 18 U.S.C. 3170

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION -- IN U.S. DISTRICT COURT

BY COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING: Case No.

Name of District Court, and/or Judge/Magistrate Judge Location (City)
 EDCA

Fresno, CA

OFFENSE CHARGED

PLEASE SEE INDICTMENT

- Petty
- Minor
- Misdemeanor
- Felony

Place of offense

County of Madera

U.S.C. Citation

Please see Indictment

DEFENDANT -- U.S. vs.

ALANA POWERS

Address {

Birth Date

- Male Alien
- Female (if applicable)

(Optional unless a juvenile)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI SA Kathryn Baker

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per FRCrP 20 21 40. Show District

this is a re prosecution of charges previously dismissed which were dismissed on motion of:

U.S. Att'y Defense

this prosecution relates to a pending case involving this same defendant

SHOW DOCKET NO.

prior proceedings or appearance(s) before U.S. Magistrate Judge regarding this defendant were recorded under

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Mo. Day Year

DATE OF ARREST

Or ... if Arresting Agency & Warrant were not Federal

Mo. Day Year

DATE TRANSFERRED TO U.S. CUSTODY

This report amends AO 257 previously submitted

Name and Office of Person Furnishing Information on THIS FORM

Sara Thomas

U.S. Att'y Other U.S. Agency

Name of Asst. U.S. Att'y (if assigned)

Alexandre M. Dempsey

FORFEITURE ALLEGATION

ADDITIONAL INFORMATION OR COMMENTS

Penalties: See Penalty Slip. Please Issue No Bail Warrant.

United States v. Jason Vertz and Alana Powers

Penalties for Indictment

COUNT ONE:

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

PENALTIES: Up to twenty years imprisonment

\$250,000 fine

Three years supervised release

\$100 special assessment

COUNTS TWO and THREE:

VIOLATION: 18 U.S.C. § 1028A(a)(1) – Aggravated Identity Theft

PENALTIES: Mandatory two years imprisonment consecutive to other counts (each count)

\$100 special assessment (each count)

FORFEITURE ALLEGATION:

As stated in the charging document