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EASTERN DISTRICT OF CALIFORNIA

SEALED

6 Attorneys for Plaintiff
United States of America
7

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

10
11 UNITED STATES OF AMERICA,
12 Plaintiff,

13 v.

14 DARYOL RICHMOND, aka "Nutcase,"
"Nuttcase," and "Nuttcase 3x,"
15 TELVIN BREAUX, aka "AJ" and "Lilcup," and
HOLLY WHITE,
16 Defendants.
17

Case No. 1:21-cr-00184-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.
§§ 1028A(a)(1) and 2 – Aggravated Identity Theft
and Aiding and Abetting (Two Counts); 18 U.S.C. §
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 DARYOL RICHMOND, aka "Nutcase," "Nuttcase," and "Nuttcase 3x,"
23 TELVIN BREAUX, aka "AJ" and "Lilcup," and
HOLLY WHITE,

24 defendants herein, as follows:

25 **I. INTRODUCTION**

26 At all relevant times:

27 1. Defendant DARYOL RICHMOND was an inmate at the California Department of
28

1 Corrections and Rehabilitation’s (“CDCR”) Kern Valley State Prison, which is located in Delano,
2 California, in the State and Eastern District of California.

3 2. Defendant TELVIN BREAUX was an inmate at the CDCR’s California Correctional
4 Institution, which is located in Tehachapi, California, in the State and Eastern District of California.

5 3. Defendant HOLLY WHITE was a person known to RICHMOND and BREAUX, and she
6 resided in Southern California.

7 **II. BACKGROUND ON CALIFORNIA’S UNEMPLOYMENT INSURANCE SYSTEM**

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

13 5. Before March 2020, only individuals who were wage earners were eligible to receive UI
14 benefits. Beginning in March 2020, however, federal legislation made significant changes to UI benefits
15 in response to the Coronavirus Disease 2019 (“COVID-19”) pandemic, including:

- 16 a. making individuals who were self-employed eligible to receive benefits,
- 17 b. extending the duration of the benefits period, and
- 18 c. increasing the amount of benefits.

19 6. Overall, more than \$300 billion in additional federal funds have been appropriated for UI
20 benefits during the COVID-19 pandemic.

21 7. An individual can apply to the California EDD for UI benefits by submitting a claim in-
22 person, by mail, over the phone, or online, and the claim can be paid retroactively to the date that the
23 individual became unemployed. The individual is asked to provide his or her name, date of birth, social
24 security number, email address, physical address, and other information. The individual is also asked to
25 provide his or her usual occupation and answer questions to establish his or her eligibility for benefits.
26 The questions include the last day that the individual worked, whether the individual is newly
27 unemployed, and whether the individual is available to work. California EDD will deny a claim if the
28 individual has not worked, did not become unemployed, or is not available to work within the prescribed

1 period. Therefore, incarcerated individuals are ineligible for UI benefits.

2 8. After California EDD approves a UI claim, it pays benefits bi-weekly. Generally,
3 individuals receive benefits through debit cards issued by Bank of America and their benefits are loaded
4 thereon. The debit cards are mailed to the physical addresses provided by the individuals through the
5 United States mail.

6 9. The California EDD generally requires that individuals certify their claims every two
7 weeks to confirm they are looking for work and have not refused any work to continue receiving
8 benefits. The certifications can be submitted in-person, by mail, over the phone, or online.

9 **III. CONSPIRACY**

10 10. Beginning on a date unknown to the Grand Jury, but not later than in or around June
11 2020, and continuing until at least in or around December 2020, in the State and Eastern District of
12 California and elsewhere, defendants RICHMOND, BREAUX, and WHITE, and others known and
13 unknown to the Grand Jury, did knowingly conspire to defraud the California EDD and the United
14 States of money and property, and to obtain money and property from the California EDD and the
15 United States, by means of materially false and fraudulent pretenses, representations, and promises, and
16 to cause mail matter to be placed into a post office or another authorized depository for mail matter and
17 to be sent and delivered by the United States Postal Service according to the direction thereon, in
18 violation of Title 18, United States Code, Section 1341.

19 **IV. MANNER AND MEANS OF THE CONSPIRACY**

20 11. Defendants RICHMOND, BREAUX, and WHITE, and others known and unknown to
21 the Grand Jury, carried out the conspiracy by the following manner, means, and acts, among others:

22 12. Defendants RICHMOND, BREAUX, and WHITE communicated through telephone
23 calls, text messages, emails, and other methods. The defendants used various electronic devices for their
24 communications. For example, in furtherance of the scheme to defraud defendant BREAUX used
25 contraband cell phones from prison to circumvent the prison monitoring process.

26 13. Defendants RICHMOND and BREAUX obtained the names, dates of birth, and social
27 security numbers for other inmates who were incarcerated at CDCR facilities and therefore were not
28 employed, newly unemployed, or available to work for purposes of UI benefits. The defendants

1 exchanged these inmates' information with each other and with family members and associates for the
2 purpose of submitting fraudulent California EDD UI claims in the inmates' names, including inmates
3 H.H., J.C., and S.R.

4 14. Defendants RICHMOND, BREAU, and WHITE subsequently caused fraudulent
5 California EDD UI claims to be submitted in the inmates' names knowing that the inmates were
6 incarcerated and were ineligible for benefits. The underlying applications contained fraudulent
7 representations, including, for example, that the inmates worked as wage earners or were self-employed
8 as clothing merchants, handymen, mechanics, and other occupations, were newly unemployed, and were
9 available to work during the prescribed period. The defendants knew that these representations were
10 false at the time the claims were submitted, including because they were aware the inmates were
11 incarcerated.

12 15. Defendants RICHMOND, BREAU, and WHITE caused fictitious email addresses to be
13 created and different physical addresses to be used for the fraudulent UI claims to avoid detection by
14 government authorities. The fictitious email addresses were created by defendant WHITE and others.
15 The physical addresses belonged to the defendants' family members and associates. In some instances,
16 the defendants paid family members and associates up to \$1,000 to use the physical addresses for
17 purposes of the defendants' scheme to defraud.

18 16. Defendants RICHMOND, BREAU, and WHITE periodically checked the status of the
19 fraudulent UI claims that they caused to be submitted to see which claims had been approved, when the
20 Bank of America debit cards for the approved claims would arrive, and whether any continuing
21 certifications of eligibility were required to be submitted to the California EDD to continue receiving
22 benefits.

23 17. The fraudulent representations that defendants RICHMOND, BREAU, and WHITE
24 caused to be made in the underlying applications for the UI claims, including that the inmates were
25 previously employed, newly unemployed, and available to work during the prescribed period, were
26 material to the claims being approved. The California EDD will deny a claim if an individual did not
27 work, was not newly unemployed, or was not available to work within the prescribed period, including
28 because of incarceration.

1 18. In furtherance of the conspiracy, defendants RICHMOND, BREAUX, and WHITE
2 caused Bank of America to mail debit cards for the fraudulent UI claims to the physical addresses
3 provided by the defendants and caused UI benefits to be loaded thereon.

4 19. In furtherance of the conspiracy, defendant White, and others acting at the defendants'
5 behest, picked up the debit cards from the physical addresses and obtained the money from the debit
6 cards by making cash withdrawals and other transactions for the defendants' benefit. Defendant
7 WHITE and others then distributed the money according to defendant RICHMOND and BREAUX's
8 instructions, which included sending money through computer applications like Cash App and Zelle.

9 20. The defendants used the money for their own benefit and for the benefit of others who
10 also were not entitled to it.

11 21. In carrying out the conspiracy, defendants RICHMOND, BREAUX, and WHITE acted at
12 all times with the intent to defraud.

13 22. As a result of the conspiracy, defendants RICHMOND, BREAUX, and WHITE, and
14 others known and unknown to the Grand Jury, caused fraudulent UI claims to be submitted to California
15 EDD in excess of \$1,400,000, and caused California EDD and the United States to incur more than
16 \$270,000 in actual losses.

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

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

19 The Grand Jury further charges:

20 DARYOL RICHMOND, aka “Nutcuse,” “Nuttcase,” and “Nuttcase 3x,” and
21 TELVIN BREAUX, aka “AJ” and “Lilcup,”

22 defendants herein, as follows:

23 23. Paragraphs 1 through 22 are incorporated by reference as though fully set forth herein.

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

27 25. On or about the dates set forth below, in the State and Eastern District of California,
28 defendants RICHMOND and BREAUX did knowingly transfer, use, and possess the means of

1 identification of another person without lawful authority, to wit: they knowingly transferred, used, and
 2 possessed the means of identification of H.H. and J.C., including H.H. and J.C.’s names, dates of birth,
 3 and social security numbers, during and in relation to an unlawful activity that constitutes a violation of
 4 federal law, to wit: conspiracy to commit mail fraud in violation of Title 18, United States Code, Section
 5 1349, as follows:

COUNT	DATE	PERSON	MEANS OF IDENTIFICATION	CORRESPONDING COUNT
TWO	7/25/20	H.H.	H.H.’s name, date of birth, and social security number transmitted from RICHMOND to BREAUX for the purpose of submitting a fraudulent California EDD UI claim using H.H.’s identity.	ONE
THREE	7/27/20	J.C.	J.C.’s name, date of birth, and social security number transmitted from RICHMOND to BREAUX for the purpose of submitting a fraudulent California EDD UI claim using J.C.’s identity.	ONE

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

18 COUNTS FOUR AND FIVE: [18 U.S.C. §§ 1028A(a)(1) and 2 –Aggravated Identity Theft and Aiding
 19 and Abetting]

20 The Grand Jury further charges:

21 DARYOL RICHMOND, aka “Nutcuse,” “Nuttcase,” and “Nuttcase 3x,”
 22 TELVIN BREAUX, aka “AJ” and “Lilcup,” and
 23 HOLLY WHITE,

23 defendants herein, as follows:

24 26. Paragraphs 1 through 22 and 24 are incorporated by reference as though fully set forth
 25 herein.

26 27. On or about the dates set forth below, in the State and Eastern District of California and
 27 elsewhere, defendants RICHMOND, BREAUX, and WHITE did knowingly transfer, use, and possess
 28 the means of identification of another person without lawful authority, and aided and abetted such

1 transfer, possession, and use, to wit: the defendants knowingly aided and abetted the transfer, use, and
 2 possession of the means of identification of H.H. and J.C., including H.H. and J.C.’s names, dates of
 3 birth, and social security numbers, and aided and abetted such conduct, during and in relation to an
 4 unlawful activity that constitutes a violation of federal law, to wit: conspiracy to commit mail fraud in
 5 violation of Title 18, United States Code, Section 1349, as follows:

COUNT	DATE	PERSON	MEANS OF IDENTIFICATION	CORRESPONDING COUNT
FOUR	8/13/20	H.H.	H.H.’s name, date of birth, and social security number transmitted from RICHMOND to WHITE to BREAUX for the purpose of checking the status of and completing certifications of continuing eligibility for the fraudulent California EDD UI claim submitted using H.H.’s identity.	ONE
FIVE	8/13/20	J.C.	J.C.’s name, date of birth, and social security number transmitted from RICHMOND to WHITE to BREAUX for the purpose of checking the status of and completing certifications of continuing eligibility for the fraudulent California EDD UI claim using J.C.’s identity.	ONE

19 All in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

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

21 28. Upon conviction of one or more of the offenses alleged in Counts One through Five of
 22 this Indictment, defendants RICHMOND, BREAUX, and WHITE shall forfeit to the United States,
 23 pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, which
 24 constitutes or is derived from proceeds traceable to such violations, including:

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

27 29. If any property subject to forfeiture as a result of the offenses alleged in Counts One
 28 through Five 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,

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

A TRUE BILL.

/s/ Signature on file w/AUSA

FOREPERSON

PHILLIP A. TALBERT
Acting United States Attorney

KIRK E. SHERRIFF

KIRK E. SHERRIFF
Chief, Fresno Office
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