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NEWS RELEASE
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LOCAL SEARCH WARRANTS SERVED, CHARGES TO BE FILED IN CASE RELATED TO MASSIVE SCHEME DEFRAUDING STATE OUT OF BILLIONS OF DOLLARS IN EDD BENEFITS

RIVERSIDE – Today, Feb. 4, 2021, District Attorney Mike Hestrin announced his office will be filing charges against a Moreno Valley man and woman as part of an ongoing investigation into grand theft and fraud involving inmates filing for California Employment Development Department (EDD) benefits while in custody.

“The scope and impact of this fraud is outrageous,” said DA Hestrin. “The losses statewide are estimated in the billions of dollars and could be double-digit billions.

“What is particularly offensive about these crimes is that these criminals are stealing much-needed benefits from people experiencing extreme economic hardship because of the pandemic and subsequent lockdowns,” Hestrin added. “We, as state and local government officials, have to cooperate with one another to make sure this never happens again.”

The DA’s Bureau of Investigation has been investigating - and is continuing to investigate - numerous EDD-related cases and served three separate search warrants over the last two weeks – one each in the Coachella Valley and in Moreno Valley last week and a third on Feb. 4 in Redlands.

Arrested on Jan. 28 at a home in the 8000 block of Pigeon Pass Road in Moreno Valley were Blake Fallon, DOB: 1-8-69; and Jessica Kaye, DOB: 7-9-76. Both were transported to the Robert Presley Detention Center where they were issued citations to appear in court and released. Our office will be filing one felony count of conspiracy to commit unemployment insurance fraud against both defendants as well and additional felony counts of perjury and unemployment insurance fraud against Fallon. Evidence related to the case and an undisclosed amount of cash were seized at the Moreno Valley home.

In December 2020, our office began an investigation into EDD unemployment benefits fraud committed by inmates who were housed in various Riverside County jails when their online applications were submitted. The investigation identified Brian Jay Davidson, DOB: 8-28-62, who was in custody when his online EDD application was submitted. A subsequent investigation revealed that Fallon and Kaye, who are friends with Davidson, obtained his personal identifying information, then submitted a fraudulent EDD online application on his behalf, receiving more than \$18,000 from the State of California. Davidson has been charged by our office in RIF1904943 with vehicular homicide. We will be filing one felony count of conspiracy to commit unemployment insurance fraud against Davidson in this case.

On Jan. 27, in a case involving a state prison inmate, DA investigators served a search warrant at an apartment in the 47000 block of Clinton Street in Indio. Investigators seized evidence related to the investigation as well as an undisclosed amount of cash and an unregistered firearm. No arrests in that case have been made at this time.

On Feb. 4, DA investigators served a search warrant at a residence in the 1300 block of East Citrus Avenue in Redlands, in San Bernardino County. Evidence and property connected to the investigation was seized. This case involves a state prison inmate. One person was arrested on a probation violation, not on charges relating to the ongoing EDD investigation.

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provides fast and direct economic assistance for American workers and families, small businesses, and preserves jobs for American industries. Pandemic Unemployment Assistance is one of the federal CARES Act provisions that helps unemployed Californians who are not usually eligible for regular unemployment insurance benefits. This includes business owners, self-employed workers, independent contractors, and those with a limited work history who are out of business or have significantly reduced their services as a result of the pandemic.

Inmates across the United States are taking advantage of these benefits resulting in the loss of several billion dollars. The inmates are using a facilitator - someone not in custody - to apply for benefits in the inmate's names.

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