



## Former Amtrak employee and husband plead guilty after bilking pandemic relief program of nearly \$1 million

### For Immediate Release

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LOS ANGELES – A former Amtrak employee pleaded guilty Tuesday to federal criminal charges for conspiring with her husband to steal nearly \$1 million in COVID-19 pandemic-related unemployment insurance benefits and for fraudulently obtaining more than \$63,000 in sickness benefits while she worked at Amtrak.

Lizette Berrios Lathon, 45, of Moreno Valley, pleaded guilty to a three-count information charging her with conspiracy to commit mail and wire fraud, aggravated identity theft, and wire fraud. Lathon's husband, Kenneth Andrew Lathon, 48, also of Moreno Valley, pleaded guilty to a three-count information charging him with conspiracy to commit mail and wire fraud, aggravated identity theft, and unlawful possession of a firearm by a convicted felon.

According to her plea agreement, from 2014 until the present day, Lizette Lathon, in addition to her duties as a service attendant for Amtrak, operated at least three tax preparation businesses: Miracle Tax Service, which was located on Los Angeles' Miracle Mile; Hardcore Corp., which did business as "Hardcore Taxes;" and Lathon LLC.

Lathon and her husband took advantage of the expanded eligibility for unemployment insurance benefits made possible by the Coronavirus Aid, Relief, and Economic Security Act signed into law in 2020. The CARES Act also established the Pandemic Unemployment Assistance program, which provided additional unemployment benefits to qualified individuals during the COVID-19 pandemic, including people who did not otherwise qualify for such benefits like business owners, self-employed workers, independent contractors, and those with a limited work history.

In some instances, Lizette Lathon submitted fraudulent applications with the California Employment Development Department (EDD) for unemployment benefits using names, Social Security numbers and dates of birth that she obtained from former clients of her tax preparation businesses without the permission of those former clients. On the EDD applications, she falsely asserted inflated income for the named claimants—many of whom had never lived in California—to receive the maximum benefit amount.

As a result of the fraudulent claims she filed, the California EDD authorized Bank of America to issue debit cards in the names of Lizette Lathon's former clients, but the cards were mailed to addresses she and her family controlled. She and her husband then used the debit cards to make cash withdrawals at ATMs and to make purchases at retail stores.

During the conspiracy, which lasted from the spring of 2020 until March 2021, Lathon and her husband caused at least 44 fraudulent unemployment claims to be filed, resulting in losses to the California EDD and the United States Treasury of approximately \$998,630.

Lizette Lathon, who was employed at Amtrak from 2000 to 2021, also schemed to defraud the Railroad Retirement Board out of sickness benefit payments by filing forged and false claims that stated she was being treated by a medical professional for pain and anxiety. Through this scheme, which lasted from September 2014 to January 2020, she fraudulently obtained approximately \$63,047 in sickness benefit payments.

Kenneth Lathon admitted in his plea agreement to possessing a .22-caliber rifle and 12-gauge shotgun that bore no identifiable serial number despite his criminal history, which includes felony convictions in California state court for theft, cocaine possession, and fraud.

“We trust the results of this case send a clear message about the consequences of fraud, especially fraud that targets programs meant for those in real need of assistance,” said Tom Hopkins, Special Agent in Charge of the Amtrak Office of Inspector General Western Field Office. “Our office will vigorously investigate and help bring to justice those who engage in such fraudulent activity as we work to protect Amtrak funds and programs funded by American taxpayers.”

A sentencing hearing is scheduled in April 2023 for the defendants. Lizette Lathon’s charges carry a maximum potential penalty of 42 years in federal prison, and Kenneth Lathon faces a maximum potential sentence of 32 years in federal prison.

In addition to Amtrak OIG, this case is being investigated by the United States Railroad Retirement Board OIG; the United States Department of Labor OIG; the United States Department of Labor Employee Benefits Security Administration; the California Employment Development Department; the Bureau of Alcohol, Tobacco, Firearms and Explosives; Homeland Security Investigations; and the United States Postal Inspection Service. Assistant United States Attorney Byron R. Tuyay of the Riverside Branch Office is prosecuting these cases.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice’s National Center for Disaster Fraud Hotline at (866) 720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>. In addition, reports of fraud, waste, or abuse; criminal or unethical acts affecting Amtrak’s property or operations; or mismanagement in Amtrak programs or operations can be made 24 hours a day via the Amtrak OIG Hotline at 1-800-468-5469 or online at <https://direc.to/hPAu>.