

CEO of Non-Profit that Provided Mentoring Services to Public School Students Arrested on COVID Jobless Benefits Fraud Charges

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For Immediate Release

U.S. Attorney's Office, Central District of California

LOS ANGELES – A South Bay man who provided lifestyle and personal development coaching to students in public schools through a non-profit he founded was arrested today on an indictment alleging he and his accomplices fraudulently applied for millions of dollars in COVID-19 jobless benefits, including by using stolen identities.

Reginald Foster Jr., 37, of the Westchester neighborhood of Los Angeles, was arrested on a 40-count federal indictment returned on June 18 alleging a scheme to fraudulently obtain unemployment insurance benefits under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Foster was arraigned today in United States District Court in downtown Los Angeles. He pleaded not guilty to the charges against him, and an August 20 trial date was scheduled. A federal magistrate judge ordered Foster released on a \$50,000 bond.

Foster allegedly exploited the Pandemic Unemployment Assistance (PUA) provision of the CARES Act, which is designed to expand access to unemployment benefits to self-employed workers, independent contractors, and others who would not otherwise have been eligible because of the COVID-19 pandemic.

The indictment alleges that Foster submitted multiple applications for benefits with false information that ensured that the applications would be approved and the debit cards through which the benefits were dispersed would be sent to a mailing address he used. Prosecutors argue that 118 fraudulent applications were submitted as part of the scheme.

Foster then allegedly used the cards to take possession of the fraudulently obtained benefits through transfers to his non-profit, Champs Up! LLC, and \$1,000 withdrawals at ATMs. The indictment alleges

that Foster then transferred the cards to co-conspirators, who used them to make further ATM withdrawals. Foster and his co-conspirators were able to withdraw almost \$1.5 million of the benefits. The benefits were frozen as soon as the scheme was uncovered, preventing further losses of more than \$4 million.

Two alleged co-conspirators are also charged in the indictment: Shelece Counts, 31, of the Westlake neighborhood of Los Angeles; and Isaiah Herbert Lawrence, 30, of Houston, Texas.

Counts was also taken into custody this morning and also was arraigned this afternoon. She pleaded not guilty to the charges against her and an August 20 trial date was scheduled. A federal magistrate judge ordered her released on \$10,000 bond.

The indictment charges Foster, Counts, and Lawrence with one count of conspiracy to commit mail fraud and bank fraud, five counts of aggravated identity theft, and each face one count of use of unauthorized access devices. Foster is charged with nine counts of mail fraud and 22 counts of bank fraud. Counts is charged with 11 counts of bank fraud. Lawrence faces five bank fraud counts.

An indictment is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

If convicted of all charges, Foster, Counts, and Lawrence would each face a statutory maximum sentence of 30 years in federal prison for the conspiracy count and for each of the bank fraud counts, and 10 years in federal prison for the use of authorized access device counts. The mail fraud counts each carry a statutory maximum sentence of 20 years, and a conviction for aggravate identity theft will result in an additional mandatory two-year sentence.

This matter was investigated by the United States Department of Labor Office of Inspector General, the California Employment Development Department, and Homeland Security Investigations. Substantial assistance was provided by the Department of Homeland Security Office of Inspector General; the United States Secret Service; the FBI; U.S. Customs and Border Protection Special Response Team; and the Los Angeles Unified School District Office of Inspector General.

Assistant United States Attorney Ranee A. Katzenstein of the Criminal Appeals Section is prosecuting this case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information

and insights gained from prior enforcement efforts. More information on the Justice Department's response to the pandemic may be found [here](#).

Anyone with information about allegations of attempted fraud involving COVID-19 can report it to the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at (866) 720-5721 or via the NCDF [online complaint form](#).

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