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News Release

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Four individuals plead guilty to conspiring to commit Social Security fraud

MINNEAPOLIS—Earlier today in federal court, a 50-year-old St. Paul woman pleaded guilty for her role in a conspiracy to defraud the Social Security Administration (“SSA”). Dianne Josephine Chess specifically pleaded guilty to one count of conspiracy to commit Social Security fraud. Chess, who was indicted along with three co-defendants on November 14, 2012, entered her plea before United States District Court Chief Judge Michael J. Davis.

From 2001 through June 2010, Chess was employed as a service representative at a SSA branch office in St. Paul. Her responsibilities included inputting into a computerized data system information provided by applicants seeking Social Security numbers. Based on that information, the Commissioner of Social Security would assign Social Security account numbers and issue Social Security cards to eligible applicants. Chess admitted entering false information into the SSA’s computer system and processing applications based on the false information so her co-conspirators would receive Social Security account numbers and cards.

On March 11, 2013, Victor Ray Holloway, age 52, of Richfield, pleaded guilty to one count of conspiracy and one count of theft of public funds in connection to this scheme. In his plea agreement, Holloway, also known as Victor Young, admitted that from 2001 through June

2010, he conspired with Chess and others to deceive the SSA. In addition, Holloway admitted that on June 13, 2008, he used the fraudulently obtained Social Security account number assigned to Victor Young while applying for a Minnesota identification card, and that from 2002 through October 2012, he embezzled approximately \$77,318 in unentitled Supplemental Security Income (“SSI”) disability benefits.

On January 23, 2013, Larhea Lynn Nakao, age 34, of Brooklyn Park, pleaded guilty to one count of use of a false Social Security number and one count of theft of public funds. In her plea agreement, Nakao, also known as Larea Holloway, admitted that in July 2008, Victor Holloway provided her a fraudulently obtained Social Security card. Nakao also admitted that on October 24, 2010, she used that false Social Security number while applying for unemployment benefits. Moreover, from May 8, 2009, through October 2012, she failed to disclose on her Initial Information Sheet to the Metropolitan Council Housing & Redevelopment Authority that she was earning wages. As a result, she obtained \$16,332 in Section 8 housing assistance payments from the U.S. Department of Housing and Urban Development (“HUD”) to which she was not entitled.

On January 18, 2013, Angela Grace Hinkle, age 47, of Lewisville, Texas, pleaded guilty to one count of use of a false Social Security number. In her plea agreement, Hinkle, also known as Angela Grace Holloway, admitted that in June 2008, Victor Holloway provided her with a fraudulent Social Security card. In addition, Hinkle admitted that on June 21, 2008, she used that Social Security number while applying for a Minnesota identification card.

For their crimes, the four defendants face a potential maximum penalty of five years on each count. Judge Davis will determine their sentences at future hearings, yet to be scheduled.

This case is the result of an investigation by the SSA-Office of Inspector General and the HUD-Office of Inspector General. It is being prosecuted by Assistant U.S. Attorney Andrew Dunne.

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