

FILED

Oct 30 2020

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

UNITED STATES DISTRICT COURT

for the

Northern District of California

United States of America

v.

Annie Corbett

Case No.

CR 20-71567-MAG*Defendant(s)***CRIMINAL COMPLAINT**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of July 2011 through August 2018 in the county of Santa Clara in the
Northern District of California, the defendant(s) violated:

Code Section

18 U.S.C. 1343

Offense Description

Wire Fraud

This criminal complaint is based on these facts:

See Attached Affidavit.

☒ Continued on the attached sheet.

Approved as to form

AUSA Chinhayi Cadet

Chinhayi Cadet

/S/ Chris Hickey

Complainant's signature

FBI SA CHRIS HICKEY

Printed name and title

Sworn to before me by telephone.

Date: October 30, 2020City and state: San Jose, California*Judge's signature*

Honorable Nathanael Cousins

Printed name and title

Print

Save As...

Attach

Reset

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT

I, Chris Hickey, Special Agent of the Federal Bureau of Investigation ("FBI"), being duly sworn, hereby declare as follows:

INTRODUCTION AND AFFIANT'S BACKGROUND

1. I make this affidavit in support of a criminal complaint charging Annie Corbett (CORBETT) with wire fraud in violation of 18 U.S.C. § 1343.

2. I am an investigative or law enforcement officer of the United States within the meaning of 18 U.S.C. § 2510(7), that is, an officer of the United States who is empowered by law to conduct investigations of and to make arrests for offenses enumerated in 18 U.S.C. § 2516.

3. I am a Special Agent of the FBI and have been so employed since May 2018. I am currently assigned to the Complex Financial Crime Squad of FBI's San Francisco Field Division. As part of my assigned duties, I investigate possible violations of federal criminal law, specifically investigations involving white collar crimes. I successfully completed New Agent Training at the FBI Academy in Quantico, Virginia in May 2018. During that time, I received training in legal statutes and procedures, financial investigations, money laundering techniques, asset identification, forfeiture and seizure, physical surveillance, confidential source management, and electronic surveillance techniques. During my employment with the FBI, I have conducted interviews of witnesses, victims, and subjects; conducted physical surveillance, executed search warrants and arrests; reviewed evidence and documents; transported evidence, and prisoners. I have also received specialized training in the investigations of various types of fraud and the use of sophisticated investigative techniques.

4. Because this affidavit is submitted for the limited purpose of securing a criminal complaint, I have not included each and every fact known to me concerning this investigation.

5. This affidavit does not set forth all my knowledge of, or investigation into, this matter, and does not name all of the persons who participated in the offense. I base this affidavit on my own investigation and the review of records provided to me by financial institutions and

other records obtained throughout this investigation. I have summarized information, including information received from law enforcement officers, victims, witnesses, documents, and records. I have set forth those facts that I believe are sufficient to support the issuance of the requested complaint.

APPLICABLE LAW

6. Title 18, United States Code, Section 1343 provides in relevant part:

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, shall be fined under this title or imprisoned not more than 20 years, or both. If the violation ... affects a financial institution, such person shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.

FACTS SUPPORTING PROBABLE CAUSE

7. Beginning in or about July 2011 and continuing through in or about August 2018, in San Jose, California, in the Northern District of California, Annie CORBETT ("CORBETT") owned and operated a business, Corbett Group Homes, Inc. ("CGH"). CGH's stated mission was to provide residential care for children and adolescents.

8. Prior to 2011, CGH was referred to as Steele-Corbett Group Homes Inc. and was co-owned by M.S. and CORBETT. According to records filed with the California Secretary of State, CORBETT filed a certificate of amendment of articles of incorporation on July 18, 2011, changing the name from Steele-Corbett Group Homes to Corbett Group Homes, Inc., and removing M.S. from the company. From approximately July 2011, CORBETT owned and operated the company under the name CGH. CORBETT operated at least three group homes throughout the time period of 2011 through 2018.

9. Beginning in or about July 2011, and continuing until in or about August 2018, CORBETT, as owner and operator of CGH, exercised control over every aspect of CGH's

business affairs, including approving all payments by the company and controlling all of CGH's bank accounts.

10. CGH received funds directly from local county governments, such as Santa Clara County. The funds were from Title IV-E Aid to Families with Dependent Children – Foster Care, a federal program that benefits foster children.

11. CORBETT knowingly and with the intent to defraud participated in, devised, and intended to devise a scheme and artifice to defraud local county governments and others as to a material matter, and to obtain money and property from local county governments by means of materially false and fraudulent pretenses, representations, and promises, and by means of omission and concealment of material facts.

12. CORBETT initiated transactions between bank accounts she controlled, moving funds she had received from local governments on behalf of minors residing in her group homes to bank accounts not associated with CGH. By initiating electronic transfers of funds between accounts, CORBETT converted the funds intended for foster children to her own use.

13. CORBETT did not inform the local governments that had entrusted her with their funds that she had fraudulently converted the funds to her personal use, and concealed and hid, and caused to be concealed and hidden, the acts done and the purpose of the acts done in furtherance of the scheme. CORBETT did so, in part, to maintain her CGH business and to continue to be compensated by the counties.

14. CORBETT maintained a business account at Bank of America that was numbered ending -1793 (“-1793 Account”) in which she deposited check payments that she received from local governments for the care of foster children. CORBETT used the -1793 Account for business expenses as well as for personal expenses. CORBETT concealed the existence of the -1793 account from CGH's auditor, who prepared CGH's tax returns.

15. A business whose initials are I.I.V., was a company owned by an individual whose initials are J.C. I.I.V. maintained a bank account at Chase Bank that was numbered ending -3365 (“-3365 Account”). I.I.V. had no affiliation with CGH.

16. CGH received funds directly from local county governments for the care of foster children. Instead of using the funds for the benefit of foster children, CORBETT used the funds for her personal enrichment, including credit card payments, personal expenses, and personal retail business payments.

17. For example, on November 15, 2016, CORBETT transferred \$9,000 from CGH's -1793 Account (titled "Steele-Corbett Group Homes, Inc.") into J.C.'s -3365 Account. This \$9,000 was deposited into CGH's -1793 Account for the purpose of supporting foster children. Instead of using these funds for that purpose, CORBETT transferred this \$9,000 to the J.C. -3365 Account, and these funds were spent on personal family living expenses. Prior to receiving funds from Santa Clara County on November 14, 2016, the -1793 Account had a negative balance. Corbett made the \$9,000 deposit into the J.C. -3365 Account one day after receiving funds from Santa Clara County. Thus, the only funds in the account at the time of the \$9,000 Fedwire electronic transfer were from Santa Clara County for the care of foster children. Since November 10, 2014, all Fedwire electronic funds transfers are processed through the Fedwire Funds Service at the service's primary and secondary processing facilities located in Texas and New Jersey. Thus, the November 15, 2016 wire of \$9,000 alleged in this criminal complaint was an interstate wire. This Fedwire electronic wire transfer traveled interstate, as the electronic wire from this Bank of America account originated in California, and was processed through facilities located in Texas and New Jersey.

CONCLUSION

18. In summary, I respectfully submit that there is probable cause to believe that CORBETT, knowingly and with the intent to defraud, did devise, participate in, and execute a material scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omissions and concealment of material facts, and, in furtherance of and for the purpose of executing this scheme and artifice, and attempting to do so, did knowingly transmit and cause to be transmitted writings, signs, and signals, in interstate and foreign commerce by means of wire communications, namely, a wire

transfer of \$9,000 from CGH's -1793 Account into J.C.'s -3365 Account, through servers in more than one state, in the Northern District of California, in violation of Title 18, United States Code, Section 1343.

/S/ Chris Hickey
CHRIS HICKEY
Special Agent
Federal Bureau of Investigation

Sworn to before me over the telephone and signed by me pursuant to FED. R .CRIM. P. 4.1 and 4(d) on this 30th day of October 2020.


HON. NATHANAEL COUSINS
United States Magistrate Judge

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT
 BY: ☒ COMPLAINT ☐ INFORMATION ☐ INDICTMENT
☐ SUPERSEDING
OFFENSE CHARGED

18 U.S.C. 1343 - Wire Fraud

- ☐
- Petty
-
- ☐
- Minor
-
- ☐
- Misdemeanor
-
- ☒
- Felony

 PENALTY: Maximum 10 years of imprisonment
 Maximum \$250,000 fine
 Maximum 3 years of supervised release
 Mandatory \$100 special assessment

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

DEFENDANT - U.S.

▶ Annie Corbett

DISTRICT COURT NUMBER

CR 20-71567-MAG**FILED**

Oct 30 2020

 SUSAN Y. SOONG
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN JOSE
PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI Special Agent Chris Hickey

☐ person is awaiting trial in another Federal or State Court,
 give name of court

☐ this person/proceeding is transferred from another district
 per (circle one) FRCrP 20, 21, or 40. Show District

☐ this is a reprosecution of
 charges previously dismissed
 which were dismissed on motion
 of:

☐ U.S. ATTORNEY ☐ DEFENSE
SHOW
DOCKET NO.
☐ this prosecution relates to a
 pending case involving this same
 defendant
MAGISTRATE
CASE NO.
☐ prior proceedings or appearance(s)
 before U.S. Magistrate regarding this
 defendant were recorded under

 Name and Office of Person
 Furnishing Information on this form David L. Anderson

☒ U.S. Attorney ☐ Other U.S. Agency

 Name of Assistant U.S.
 Attorney (if assigned) AUSA Chinhayi Cadet
DEFENDANT**IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

- 1)
- ☒
- If not detained give date any prior
-
- summons was served on above charges ▶
-
- 2)
- ☐
- Is a Fugitive
-
- 3)
- ☐
- Is on Bail or Release from (show District)

IS IN CUSTODY

- 4)
- ☐
- On this charge
-
- 5)
- ☐
- On another conviction }
- ☐
- Federal
- ☐
- State
-
- 6)
- ☐
- Awaiting trial on other charges
-
- If answer to (6) is "Yes", show name of institution

 Has detainer ☐ Yes
 been filed? ☐ No

 If "Yes"
 give date
 filed
**DATE OF
ARREST**

Month/Day/Year

Or... if Arresting Agency & Warrant were not

**DATE TRANSFERRED
TO U.S. CUSTODY**

Month/Day/Year

☐ This report amends AO 257 previously submitted
ADDITIONAL INFORMATION OR COMMENTS**PROCESS:**
☒ SUMMONS ☐ NO PROCESS* ☐ WARRANT

Bail Amount: _____

If Summons, complete following:

☒ Arraignment ☐ Initial Appearance

Defendant Address:

 * Where defendant previously apprehended on complaint, no new summons or
 warrant needed, since Magistrate has scheduled arraignment

Date/Time: 11/19/2020

Before Judge: Judge DeMarchi

 Comments: Zoom link: <https://cand-uscourts.zoomgov.com/j/1613612647?pwd=YzN6dmFUTnpra21GeFRiKzlrZHJQUT09>