

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA

FILED

JUN 17 2024

UNITED STATES OF AMERICA,)

Plaintiff,)

-vs-)

PRISCILLA ORANGE,)

Defendant.)

JOAN KANE, CLERK
U.S. DIST. COURT, WESTERN DIST. OKLA
BY RP, DEPUTY

No. **CR 24-252 R**

Violations: 18 U.S.C. § 1516
18 U.S.C. § 666(a)(1)(A)
15 U.S.C. § 645(a)

INDICTMENT

The Federal Grand Jury charges:

At all times relevant to this Indictment:

1. **PRISCILLA ORANGE** ("ORANGE") was a resident of the Western District of Oklahoma.

2. **ORANGE** owned and operated Rainbow Connection Child Care & Learning Center, LLC ("Rainbow Connection"), a child care provider with multiple locations in the Western District of Oklahoma.

COUNT ONE
(Obstruction of a Federal Audit)

3. The Federal Grand Jury incorporates paragraphs 1 and 2 by reference.

The Department of Agriculture and the Child and Adult Care Food Program

4. The U.S. Department of Agriculture (USDA) was a federal agency that administered numerous food and nutrition-assistance programs.

5. One program that the USDA administered was the Child and Adult Care Food Program (CACFP). CACFP funded nutritious meals and snacks for low-income children at participating child care centers.

6. The Oklahoma Department of Education (ODE) administered the federally funded CACFP in Oklahoma. Child care centers applied to the ODE to participate in the CACFP.

7. To receive reimbursement for meals and snacks provided to eligible children, an approved child care center had to certify to the ODE each month the number of eligible children at its center and the number of meals served. A child care center was also required to maintain a list of food-related expenses and corroborating invoices in case of an audit.

8. Since at least 2013, Rainbow Connection was approved to participate in the CACFP. Between 2013 and 2021, Rainbow Connection routinely certified to the ODE its number of eligible children and the meals they received. During this period, Rainbow Connection received approximately \$1,555,000.00 in CACFP reimbursements.

Rainbow Connection's CACFP Audit and Fraudulent Invoices

9. In 2021, the ODE launched an audit and quality assurance inspection of Rainbow Connection's CACFP reimbursements. As part of the audit, the ODE asked **ORANGE** to provide certain invoices to corroborate claimed food-related expenses. In response, **ORANGE** submitted invoices from Food Supplier 1 that Rainbow Connection had purportedly paid.

10. The ODE contacted Food Supplier 1 to check the veracity of the invoices **ORANGE** submitted. Food Supplier 1 confirmed that the invoices **ORANGE** submitted were not legitimate and appeared to have been forged. Food Supplier 1 indicated that the invoice numbers listed on the invoices **ORANGE** submitted to ODE corresponded to transactions with its other clients, not Rainbow Connection.

Defendant's Obstruction of a Federal Audit

11. Between in and about August 2021 and continuing through in and about November 2021, in the Western District of Oklahoma,

----- **PRISCILLA ORANGE**, -----
with the intent to deceive and defraud the United States, influenced, obstructed and impeded, and endeavored to influence, obstruct and impede, a federal auditor in the performance of his or her official duties relating to the U.S. Department of Agriculture's Child and Adult Care Food Program, a program receiving in excess of \$100,000.00, directly and indirectly, from the

United States in calendar year 2021. Specifically, **ORANGE** submitted false and fraudulent invoices for food-related expenses to employees of the Oklahoma Department of Education conducting an audit and quality assurance inspection of Rainbow Connection on behalf of the United States.

All in violation of Title 18, United States Code, Section 1516.

COUNT TWO
(Federal Program Theft)

12. The Federal Grand Jury incorporates paragraphs 1 and 2 by reference.

**The Department of Health and Human Services
and Child Care Stabilization Grants**

13. In 2021, in response to the COVID-19 pandemic, the U.S. Congress allocated billions of dollars for child care stabilization grants (“CCSGs”). The program was intended to provide grants to child care centers to cover specified operational expenses.

14. The U.S. Department of Health and Human Services oversaw this grant program, and in Oklahoma it was administered by the Oklahoma Department of Human Services.

15. Child care providers could use CCSGs to cover only certain limited operational expenses. These expenses included personnel costs, rent or mortgage payments, utilities, facilities maintenance, personal protective equipment, and sanitation supplies. In the CCSG application, a child care

provider had to specify how it would allocate its grant money among the various kinds of eligible operational expenses.

Rainbow Connection's 2022 Child Care Stabilization Grants

16. In 2022, **ORANGE** applied for four CCSGs for Rainbow Connection. In each application, **ORANGE** attested that Rainbow Connection would use the grant money only for authorized operational expenses. All four applications were approved, and Rainbow Connection received \$98,400.00 in total grant money.

17. **ORANGE** later misappropriated a portion of this grant money and spent it on impermissible personal expenses, including to gamble at local casinos.

Defendant's Theft of Child Care Stabilization Grant Money

18. Between in and about September 2022 and in and about December 2022, in the Western District of Oklahoma,

----- **PRISCILLA ORANGE**, -----
an agent of Rainbow Connection, an organization that received in calendar year 2022 benefits in excess of \$10,000.00 under a federal grant program, embezzled, stole, obtained by fraud, and otherwise without authority, knowingly converted to the use of any other person than the rightful owner and intentionally misapplied property that was valued at \$5,000.00 and more

and was owned by and under the care, custody, and control of Rainbow Connection, specifically, federal CCSG proceeds.

All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNT THREE
(Federal Program Theft)

19. The Federal Grand Jury incorporates paragraphs 1–2 and 13–15 by reference.

Rainbow Connection’s 2023 Child Care Stabilization Grants

20. In 2023, **ORANGE** applied for six additional CCSGs for Rainbow Connection. In each application, **ORANGE** again attested that Rainbow Connection would use the grant money only for authorized operational expenses. All six applications were again approved, and Rainbow Connection received \$396,000.00 in total grant money.

21. **ORANGE** later misappropriated a portion of this grant money and spent it on impermissible personal expenses, including to gamble at local casinos.

Defendant's Theft of Child Care Stabilization Grant Money

22. Between in and about February 2023 and in and about December 2023, in the Western District of Oklahoma,

----- **PRISCILLA ORANGE**, -----

an agent of Rainbow Connection, an organization that received in calendar year 2023 benefits in excess of \$10,000.00 under a federal grant program, embezzled, stole, obtained by fraud, and otherwise without authority, knowingly converted to the use of any other person than the rightful owner and intentionally misapplied property that was valued at \$5,000.00 and more and was owned by and under the care, custody, and control of Rainbow Connection, specifically, federal CCSG proceeds.

All in violation of Title 18, United States Code, Section 666(a)(1)(A).

COUNT FOUR

(False Statement to the Small Business Administration)

23. The Federal Grand Jury incorporates paragraphs 1 and 2 by reference.

The Small Business Administration and the Economic Injury Disaster Loan Program

24. The U.S. Small Business Administration (SBA) was a federal agency dedicated to helping small business owners and entrepreneurs.

25. The Economic Injury Disaster Loan (EIDL) program provided low-interest loans to small businesses affected by federally declared disasters,

including the COVID-19 pandemic. The SBA administered the EIDL program, and the federal government funded the loans. Small business owners applied for an EIDL to the SBA. If the SBA approved an application, it disbursed the EIDL proceeds to the small business.

26. Small business owners could use EIDL proceeds only for certain business-related expenses. In the loan agreement executed by a small business owner and the SBA, a small business owner was required to agree to use all EIDL proceeds “solely as working capital to alleviate economic injury caused by disaster.”

Rainbow Connection’s First and Second EIDL Applications

27. Between 2020 and 2022, **ORANGE** applied three times to the SBA for an EIDL on Rainbow Connection’s behalf. The SBA approved all three applications and disbursed approximately \$509,900.00 in EIDL proceeds to Rainbow Connection.

28. **ORANGE** first applied for an EIDL on June 23, 2020. The SBA approved the application for an EIDL in the amount of \$16,000.00. It also supplied Rainbow Connection with a separate \$10,000.00 advance.

29. In the executed loan agreement for this EIDL, **ORANGE** represented that she would use all EIDL proceeds “solely as working capital” to alleviate Rainbow Connection’s economic injury due to a disaster.

30. Once Rainbow Connection received the first EIDL, **ORANGE** instead used the EIDL proceeds for impermissible personal expenses, primarily to gamble at local casinos.

31. In 2021, **ORANGE** applied to the SBA to modify Rainbow Connection's EIDL and receive additional loan proceeds. The SBA approved this modification and eventually disbursed an additional \$133,900.00 to Rainbow Connection. In a second loan agreement, executed on February 16, 2021, **ORANGE** again represented that she would use these new funds "solely as working capital" to alleviate Rainbow Connection's economic injury due to a disaster. Instead, **ORANGE** used the proceeds from the second EIDL for personal expenses, primarily to gamble at local casinos.

Defendant's False Statement to the Small Business Administration

32. On or about February 16, 2021, in the Western District of Oklahoma,

----- **PRISCILLA ORANGE** -----
knowingly made a false statement to the SBA for the purpose of influencing in any way the actions of the SBA. Specifically, **ORANGE** falsely stated on an EIDL application that she would use all loan proceeds solely as working capital to alleviate economic injury, not for impermissible personal expenses.

All in violation of Title 15, United States Code, Section 645(a).

COUNT FIVE
(False Statement to the Small Business Administration)

33. The Federal Grand Jury incorporates paragraphs 1–2 and 24–26 by reference.

Rainbow Connection’s Third EIDL Application

34. In 2022, **ORANGE** applied an additional time to the SBA to modify Rainbow Connection’s EIDL. The SBA approved this modification, too, and disbursed \$350,000.00. In a third loan agreement, executed May 14, 2022, **ORANGE** again represented that she would use these new funds “solely as working capital” to alleviate Rainbow Connection’s economic injury due to a disaster. But, once again, **ORANGE** instead used the third EIDL for personal expenses, primarily to gamble at local casinos.

Defendant’s False Statement to the Small Business Administration

35. On or about May 14, 2022, in the Western District of Oklahoma,
----- **PRISCILLA ORANGE** -----
knowingly made a false statement to the SBA for the purpose of influencing in any way the actions of the SBA. Specifically, **ORANGE** falsely stated on an EIDL application that she would use all loan proceeds solely as working capital to alleviate economic injury, not for impermissible personal expenses.

All in violation of Title 15, United States Code, Section 645(a).

A TRUE BILL:



FOREPERSON OF THE GRAND JURY

ROBERT J. TROESTER
United States Attorney



D.H. DILBECK
Assistant United States Attorney