

SEALED BY ORDER
OF THE COURT

FILED
JUN 1

2014
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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PSG

CR 14 00318

) VIOLATIONS: 18 U.S.C. § 1349 – Conspiracy to
) Commit Wire Fraud; 18 U.S.C. §§ 1343 and 2 – Wire
) Fraud and Aiding and Abetting; 18 U.S.C. § 1001(a)
) – False Statement to a Government Agent; 18 U.S.C.
) § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal
) Forfeiture

SAN JOSE VENUE

Defendants.

The Grand Jury charges:

At all times relevant to this Indictment, unless otherwise indicated:

2. As part of SKYLAR PHOENIX's job at B.S.C., she had responsibility for overseeing multiple

1 employees within the marketing department and had authority to procure additional employees and
2 authorize payments without further management review of up to \$10,000.

3 3. Defendant LISSA MICHELE PHOENIX, a/k/a/ Lisa Beckwith, was the registered domestic
4 partner of SKYLAR ARIEL PHOENIX.

5 4. Since at least May 2001, defendant SKYLAR ARIEL PHOENIX and defendant LISSA
6 MICHELE PHOENIX have been co-owners and joint tenants of a residence in San Jose, CA.

7 5. B.S.C. had internal ethics, conflicts, and compliance policies which: (1) prohibited the direct
8 hiring and supervision of members of an employee's household or family members; (2) prohibited the
9 choosing of one vendor over another based on a personal relationship or non-objective criteria; (3)
10 prohibited B.S.C. employees from receiving any bribes, rebates, kickbacks or similar improper payment
11 as a benefit for influencing or authorizing any action by B.S.C.; and (4) required B.S.C. employees to
12 report any such actions or conflicts as they arose.

13 6. Defendant DANA ANN WILKEY was the President and registered agent of Adwil Agency,
14 Inc., ("Adwil Agency") with its principal place of business in Beverly Hills, California.

15 7. Beginning in or about December 2005 through and including January 2013, Adwil Agency
16 provided Internet-based marketing services to B.S.C., in San Francisco, California, and elsewhere,
17 pursuant to a contract between B.S.C. and Adwil Agency.

18 8. Spherion Staffing Services ("Spherion") was a company providing temporary employees and
19 on-site management services to a variety of industries in locations around the United States, including in
20 San Francisco, California, during the time relevant to this indictment. Beginning in or about February
21 2005 through September 2011, Spherion provided various services, including "flexible staffing services"
22 to B.S.C. pursuant to several contracts between the companies.

23 9. Rodeo Pink, Inc. was a business incorporated in California on or about July 2008, with
24 SKYLAR PHOENIX listed as the president and its business address matching the address of SKYLAR
25 PHOENIX's residence in San Jose, California.

26 THE FIRST SCHEME AND ARTIFICE TO DEFRAUD

27 10. As set forth more fully below, in or about September 2004 through in or about March 2011, in
28 the Northern District of California and elsewhere, the defendants,

1 SKYLAR ARIEL PHOENIX and

2 LISSA MICHELE PHOENIX,

3 engaged in an illegal scheme to defraud B.S.C. by creating false employee records and time cards for
4 work allegedly performed that contained materially false and misleading information in order to induce
5 B.S.C. to pay hourly wages to LISSA PHOENIX for work that was not performed.

6 11. As part of the scheme to defraud, SKYLAR PHOENIX and LISSA PHOENIX conspired with
7 each other and others known and unknown to the grand jury for LISSA PHOENIX to be hired as an
8 independent contractor, allegedly to provide consultant services to B.S.C. Together, LISSA PHOENIX
9 and SKYLAR PHOENIX presented LISSA PHOENIX as "Lisa Beckwith, d/b/a Adwil
10 Communication," with an address corresponding to the home address of one of LISSA PHOENIX's
11 close family members. In this way, LISSA PHOENIX and SKYLAR PHOENIX provided false and
12 misleading information and representations to conceal from B.S.C. the true relationship between the
13 defendants.

14 12. To perpetrate and conceal their scheme to defraud, LISSA PHOENIX and SKYLAR
15 PHOENIX made false "production invoices" from Adwil Communications to the attention of SKYLAR
16 PHOENIX which purported to document and describe actual work being done by Adwil
17 Communications for the benefit of B.S.C. and requesting payment of various dollar amounts to "L.M.
18 Beckwith." These false invoices were entered into B.S.C.'s internal accounting program by another
19 person working directly for SKYLAR PHOENIX at B.S.C. in an administrative capacity in order to
20 generate check requisitions for payment. After these requisitions were generated, SKYLAR PHOENIX
21 signed the document, occasionally making hand written revisions to the request, and authorized the
22 payment to "L.M. Beckwith" in her capacity as the department manager, when in truth, no legitimate
23 work was provided to B.S.C. by LISSA PHOENIX as described on these invoices.

24 13. Between in or about September 2004 and April 2006, B.S.C. received invoices in this manner
25 requesting payments to "L.M. Beckwith" signed and authorized by SKYLAR PHOENIX on at least 13
26 separate occasions. Based on these fraudulent invoices, B.S.C. issued 13 checks of various amounts
27 between \$4,000 and \$9,900, for a total of approximately \$97,652.00, payable to "L.M. Beckwith" and
28 mailed to the address associated with LISSA PHOENIX's close family member.

1 14. As a further part of the on-going scheme to defraud, and following an internal B.S.C. policy
2 change regarding the usage of and system for engaging contract and temporary employees, between in
3 or about June 2007 and March 2011, SKYLAR PHOENIX created multiple internal job requests at
4 B.S.C., called "Leased Worker Requisition Forms," generating job openings and a request to B.S.C.'s
5 outside vendor, Spherion. SKYLAR PHOENIX specifically included in her requests to the vendor that
6 she had identified "Lisa Beckwith" as the employee for the jobs.

7 15. As a further part of the scheme to defraud, LISSA PHOENIX presented herself as an
8 employee to B.S.C.'s vendor, Spherion, using the name "Lisa Beckwith." Between in or about June
9 2007 and March 2011, SKYLAR PHOENIX and LISSA PHOENIX submitted weekly time record
10 documents for approval through the electronic system that linked B.S.C. with its vendor. These time
11 records falsely represented that LISSA PHOENIX, a/k/a "Lisa Beckwith," regularly worked forty hours
12 per week on projects for B.S.C., when, in fact, LISSA PHOENIX provided no legitimate services or
13 products to B.S.C. in exchange for these payments.

14 16. As a further part of the scheme to defraud, SKYLAR PHOENIX listed herself as the
15 designated "timecard approver" for "Lisa Beckwith." The "timecard approver" was required to review
16 and verify the hours worked and approve the timecard for payment electronically. SKYLAR PHOENIX
17 electronically approved the timecards for "Lisa Beckwith," when in truth, SKYLAR PHOENIX knew
18 that "Lisa Beckwith" was LISSA PHOENIX, SKYLAR PHOENIX's domestic partner, who provided no
19 legitimate services or products to B.S.C. during the hours she was alleged to have been working.

20 17. In reliance on the misleading and materially false information provided to the vendor by
21 SKYLAR PHOENIX and LISSA PHOENIX, Spherion provided electronic payments to LISSA
22 PHOENIX, a/k/a "Lisa Beckwith," via direct deposit to LISSA PHOENIX's Wells Fargo Bank account.

23 18. Between in or about June 2007 and March 2011, B.S.C. was, in turn, billed by Spherion for all
24 the temporary workers in a given pay period, including LISSA PHOENIX, a/k/a "Lisa Beckwith," and
25 B.S.C. paid Spherion for the cost of these employees, as well as an additional percentage of the
26 temporary workers' salaries as a mark-up for providing contractually-agreed upon management service
27 to B.S.C.

28 19. Between July 2007 and March 2011, LISSA PHOENIX was paid in excess of \$399,000 for

1 allegedly providing services and products to B.S.C., for which B.S.C. can find no evidence, records, or
2 other support to substantiate that LISSA PHOENIX, a/k/a "Lisa Beckwith" was ever contracted to or
3 employed by B.S.C.
4

5 COUNT ONE: 18 U.S.C. § 1349 (Wire Fraud Conspiracy)

6 20. Paragraphs 1 through 19 are re-alleged and incorporated as if fully set forth here.

7 21. From at least in or about September 2004 through in or about March 2011, in the Northern
8 District of California and elsewhere, the defendants,

9 SKYLAR ARIEL PHOENIX and

10 LISSA MICHELE PHOENIX,

11 did knowingly and intentionally conspire to devise a material scheme and artifice to defraud, and to
12 obtain money and property by means of materially false and fraudulent pretenses, representations and
13 promises, and by material omissions of fact, and for the purpose of executing such scheme and artifice,
14 to transmit and to cause to be transmitted, by means of wire communication in interstate commerce,
15 writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Sections 1343.
16

17 COUNTS TWO – FIVE: 18 U.S.C. §§ 1343 and 2 (Wire Fraud; Aiding and Abetting)

18 22. Paragraphs 1 through 18 are re-alleged and incorporated as if fully set forth here and in each
19 of Counts Two through Five, below.

20 23. On or about the dates set forth below, in the Northern District of California and elsewhere, the
21 defendants,

22 SKYLAR ARIEL PHOENIX and

23 LISSA MICHELE PHOENIX,

24 for the purpose of executing a scheme and artifice to defraud, and to obtain money by means of
25 materially false and fraudulent pretenses, representations, promises, and omissions, did knowingly
26 transmit and cause to be transmitted by means of wire communications in interstate commerce certain
27 writings, signs, and signals, as set forth further below:
28

Count	Date	Processed through	To	Description
TWO	03/19/2010	NEW YORK	CALIFORNIA	Wire transfer in the amount of \$2,045.89 from Spherion to "Lisa Beckwith's" Wells Fargo Account ending in 9212
THREE	06/11/2010	NEW YORK	CALIFORNIA	Wire transfer in the amount of \$2,068.30 from Spherion to "Lisa Beckwith's" Wells Fargo Account ending in 9212
FOUR	01/28/2011	NEW YORK	CALIFORNIA	Wire transfer in the amount of \$2,116.74 from Spherion to "Lisa Beckwith's" Wells Fargo Account ending in 9212
FIVE	03/25/2011	NEW YORK	CALIFORNIA	Wire transfer in the amount of \$2,388.03 from Spherion to "Lisa Beckwith's" Wells Fargo Account ending in 9212

Each in violation of Title 18, United States Code, Sections 1343 and 2.

THE SECOND SCHEME AND ARTIFICE TO DEFRAUD

24. As set forth more fully below, from in or about February 2006 through at least February 2012, in the Northern District of California and elsewhere, the defendants,

SKYLAR ARIEL PHOENIX,

LISSA MICHELE PHOENIX, and

DANA ANN WILKEY

did knowingly devise and intend to devise a material scheme and artifice to defraud B.S.C., and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and omissions of material facts, and for the purpose of executing such a scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures and sounds. More specifically, defendant DANA WILKEY, with the participation and assistance of defendant SKYLAR PHOENIX, entered into a fraudulent marketing contract between B.S.C. and Adwil Agency, Inc., which included the regular

1 payment of undisclosed kickbacks from WILKEY to SKYLAR PHOENIX, LISSA PHOENIX, and
2 Rodeo Pink, a shell corporation held by and for the benefit of SKYLAR PHOENIX.

3 25. As part of the scheme to defraud, SKLYAR PHOENIX, in her management capacity at
4 B.S.C., facilitated the awarding of a contract between B.S.C.'s Marketing Department and Adwil
5 Agency, of which WILKEY was the President, to provide a variety of Internet work, including the
6 creation of websites for B.S.C. To perpetuate and conceal the scheme to defraud, multiple work orders
7 or "Statements of Work" for internet-type work related to B.S.C. marketing were generated with
8 numerous cost increases and extensions being added over time, all approved by SKYLAR PHOENIX.

9 26. As a further part of the scheme to defraud, DANA WILKEY, through Adwil Agency,
10 submitted multiple invoices charging B.S.C. highly inflated prices for the services to be performed, and
11 SKYLAR PHOENIX took steps to conceal this fact by regularly changing the project "cost center
12 number" or code to be used for approval of the invoices within B.S.C. and to minimize the total impact
13 on B.S.C. accounts controlled by SKYLAR PHOENIX.

14 27. To perpetuate and conceal the scheme to defraud, SKYLAR PHOENIX directed
15 administrative personnel working directly for her to pay Adwil Agency invoices faster and prior to other
16 vendors, and on at least one occasion, directed administrative personnel to personally go to the bank to
17 make a deposit directly into the Adwil Agency account for the benefit of DANA WILKEY.

18 28. As a further part of the scheme to defraud, between in or about February 2006 through at least
19 February 2012, DANA WILKEY, through Adwil Agency accounts, paid directly to LISSA PHOENIX,
20 SKYLAR PHOENIX, and SKYLAR PHOENIX's company, Rodeo Pink, approximately 87 checks with
21 various amounts between \$50 and \$12,000, amounting to kickbacks related to Adwil Agency's business
22 with B.S.C.

23 29. Between in or about February 2006 through at least February 2012, DANA WILKEY, through
24 Adwil Agency accounts, paid directly to LISSA PHOENIX, SKYLAR PHOENIX, and SKYLAR
25 PHOENIX's company Rodeo Pink approximately \$360,000 in kickbacks related to Adwil Agency's
26 business with B.S.C.

1 COUNT SIX: 18 U.S.C. § 1349 (Wire Fraud Conspiracy)

2 30. Paragraphs 1 through 9, and 24 through 29 are re-alleged and incorporated as if fully set forth
3 here.

4 31. From at least in or about February 2006 through in or about February 2012, in the Northern
5 District of California and elsewhere, the defendants,

6 SKYLAR ARIEL PHOENIX,

7 LISSA MICHELE PHOENIX, and

8 DANA ANN WILKEY,

9 did knowingly and intentionally conspire to devise a material scheme and artifice to defraud, and to
10 obtain money and property by means of materially false and fraudulent pretenses, representations and
11 promises, and by material omissions of fact, and for the purpose of executing such scheme and artifice,
12 to transmit and to cause to be transmitted, by means of wire communication in interstate commerce,
13 writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Sections 1343.

14
15 COUNTS SEVEN – TWELVE: 18 U.S.C. §§ 1343 and 2 (Wire Fraud; Aiding and Abetting)

16 32. Paragraphs 1 through 9, and 24 through 31 are re-alleged and incorporated as if fully set forth
17 here and in each of Counts Seven through Eleven, below.

18 33. On or about the dates set forth below, in the Northern District of California and elsewhere, the
19 defendants,

20 SKYLAR ARIEL PHOENIX and

21 DANA ANN WILKEY,

22 for the purpose of executing a scheme and artifice to defraud, and to obtain money by means of
23 materially false and fraudulent pretenses, representations, promises, and omissions, did knowingly
24 transmit and cause to be transmitted by means of wire communications in interstate commerce certain
25 writings, signs, and signals, as set forth further below:

Count	Date	Server Location	To	Description
SEVEN	02/21/2011	NEW JERSEY	CALIFORNIA	Email from DANA ANN WILKEY, to A.M. requesting payment in the amount of \$6,860.00 to Rodeo Pink.
EIGHT	05/03/2011	NEW JERSEY	CALIFORNIA	Emails from DANA ANN WILKEY, to A.M., requesting payment in the amount of \$1,180.70 to Rodeo Pink.
NINE	05/24/2011	NEW YORK	CALIFORNIA	Email from DANA ANN WILKEY, to A.M. requesting payment in the amount of \$3,288.90 to Rodeo Pink
TEN	05/29/2011	NEW YORK	CALIFORNIA	Email from DANA ANN WILKEY, to A.M. requesting payment in the amount of \$6,842.00 to Rodeo Pink
ELEVEN	08/03/2011	NEW YORK	CALIFORNIA	Email from DANA ANN WILKEY, to A.M. requesting payment in the amount of \$1,730.00 to Rodeo Pink
TWELVE	12/20/2011	NEW YORK	CALIFORNIA	Email from DANA ANN WILKEY, to A.M. requesting payment in the amount of \$1,500.00 to Rodeo Pink

Each in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT THIRTEEN: 18 U.S.C. § 1001 (False Statement to Government Agent)

34. Paragraphs 1 through 34 of this Indictment are hereby re-alleged and incorporated by reference as if set forth in full herein.

35. On or about September 25, 2013, in the Northern District of California, defendant
SKYLAR ARIEL PHOENIX
did knowingly and willfully make a materially false, fictitious, and fraudulent statement in a matter within the jurisdiction of the executive branch of the United States, by stating to an agent of the Federal Bureau of Investigation, while in the course of the agent's duties, that: (1) LISSA PHOENIX worked as a contractor for B.S.C. on specific projects; and (2) other B.S.C. employees had worked with LISSA PHOENIX directly on B.S.C. projects, knowing at the time she made these statements that they were false, in that LISSA PHOENIX in truth and fact had never provided any services or products to B.S.C.

1 in exchange for any payments, in violation of Title 18, United States Code, Sections 1001(a)(2).

2
3 COUNT FOURTEEN: 18 U.S.C. § 1001 (False Statement to Government Agent)

4 36. Paragraphs 1 through 34 of this Indictment are hereby re-alleged and incorporated by
5 reference as if set forth in full herein.

6 37. On or about September 25, 2013, in the Northern District of California, defendant
7 SKYLAR ARIEL PHOENIX
8 did knowingly and willfully make a materially false, fictitious, and fraudulent statement in a matter
9 within the jurisdiction of the executive branch of the United States, by stating to an agent of the Federal
10 Bureau of Investigation, while in the course of the agent's duties, that: (1) Rodeo Pink was hired by
11 Adwil Agency to do consulting for a company in Boston to encourage prenatal care; and (2) she had told
12 her B.S.C. supervisors that she was working an "outside job" with Adwil Agency during the same time
13 as Adwil Agency was performing its contract with B.S.C., knowing at the time she made these
14 statements that they were false in that, in truth and fact, she knew there was no Boston company that
15 Rodeo Pink was "consulting," and the payments made from Adwil Agency to Rodeo Pink and SKYLAR
16 PHOENIX were directly related to Adwil Agency's business with and invoices to B.S.C. , in violation of
17 Title 18, United States Code, Sections 1001(a)(2).

18
19 COUNT FIFTEEN: 18 U.S.C. § 1001 (False Statement to Government Agent)

20 38. Paragraphs 1 through 34 of this Indictment are hereby re-alleged and incorporated by
21 reference as if set forth in full herein.

22 39. On or about September 25, 2013, in the Northern District of California, defendant
23 LISSA MICHELE PHOENIX
24 did knowingly and willfully make a materially false, fictitious, and fraudulent statement in a matter
25 within the jurisdiction of the executive branch of the United States, by stating to an agent of the Federal
26 Bureau of Investigation, while in the course of the agent's duties, that while working at B.S.C. in the
27 marketing department she worked approximately 40 hours a week, during which she was supervised
28 directly by SKYLAR PHOENIX and wrote pamphlets and brochures for the health care reform

1 initiative, knowing at the time she made these statements that they were false in that, in truth and fact
2 she had never provided any services or products to B.S.C., in violation of Title 18, United States Code,
3 Sections 1001(a)(2).

4
5 FIRST FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Wire
6 Fraud Forfeiture.

7 40. Paragraphs 1 through 23 of this Indictment are hereby re-alleged and incorporated by
8 reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section
9 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

10 41. Upon conviction of any of the offenses set forth in Counts 1 through 5 of this Indictment, the
11 defendants,

12 SKYLAR ARIEL PHOENIX, and

13 LISSA MICHELE PHOENIX

14 shall forfeit to the United States of America pursuant to Title 18, United States Code, Section
15 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which
16 constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes,
17 but is not limited to a money judgment in the amount of the gross proceeds derived from the offenses.

18
19 SECOND FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Wire
20 Fraud Forfeiture.

21 42. Paragraphs 1 through 9 and 24 through 33 of this Indictment are hereby re-alleged and
22 incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code,
23 Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c). Upon conviction of any of the
24 offenses set forth in Counts 6 through 11 of this Indictment, the defendants,

25 SKYLAR ARIEL PHOENIX,

26 LISSA MICHELE PHOENIX, and

27 DANA ANN WILKEY

28 shall forfeit to the United States of America pursuant to Title 18, United States Code, Section

1 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which
2 constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes,
3 but is not limited to a money judgment in the amount of the gross proceeds derived from the offenses.

4 43. Paragraphs 1 through 43 of this Indictment are hereby re-alleged and incorporated by
5 reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code,
6 Section 981(a)(1)(C) and Title 28, United States Code, Section, 2461(c).

7 44. If, as a result of any act or omission of the defendant, any of said property:

- 8 a. Cannot be located upon the exercise of due diligence;
9 b. Has been transferred or sold to or deposited with, a third person;
10 c. Has been placed beyond the jurisdiction of the Court;
11 d. Has been substantially diminished in value; or
12 e. Has been comingled with other property which cannot be divided without difficulty;

13 the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21,
14 United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1)
15 and Title 28, United States Code, Section 2461(c).


16 All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States
17 Code, Section 2461(c).

18 DATED: 6/18/14

A TRUE BILL

19
20 
21 FOREPERSON

22
23
24 MELINDA HAAG
United States Attorney

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28 AMBER ROSEN
San Jose Deputy Branch Chief

1 Approved as to form:

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4 AMIE D. ROONEY
5 Assistant United States Attorney
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