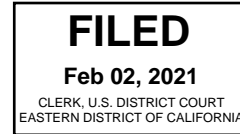


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6 Attorneys for Plaintiff  
7 United States of America

8 IN THE UNITED STATES DISTRICT COURT  
9 EASTERN DISTRICT OF CALIFORNIA

10  
11 UNITED STATES OF AMERICA,  
12 Plaintiff,  
13 v.  
14 SCHENELLE M. FLORES,  
15 Defendant.

CASE NO. 2:21-cr-0025 TLN

18 U.S.C. § 1343 – Wire Fraud; 18 U.S.C.  
§ 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal  
Forfeiture

16  
17 I N F O R M A T I O N

18 COUNT ONE: [18 U.S.C. § 1343 – Wire Fraud]

19 The United States Attorney charges: T H A T

20 SCHENELLE M. FLORES,  
21 defendant herein,

22 **I. INTRODUCTION**

23 At all times relevant to this Information:

24  
25 1. SCHENELLE M. FLORES resided in Sacramento, California. SCHENELLE M.  
26 FLORES was employed as a manager in the Office of AIDS at the California Department of Public  
27 Health in Sacramento, California. The Office of AIDS was responsible for working on behalf of the  
28 State of California to combat the HIV and AIDS epidemic, including providing supplies and services to

1 local health jurisdictions.

2 2. Individual 1 resided in Sacramento, California.

3 3. Individual 2 resided in Sacramento, California. Beginning in approximately March 2018,  
4 Individual 2 operated SOLE PROPRIETORSHIP 1, which purported to be a consulting business.  
5 Previously, Individual 2 had been an employee of the Office of AIDS.

6 4. Individual 3 resided in Sacramento, California. Beginning in approximately March 2018,  
7 Individual 3 operated SOLE PROPRIETORSHIP 2, which purported to be a business providing website  
8 and information technology services.

9 5. Individual 4 resided in the Fresno, California, area. Individual 4 was the Chief Executive  
10 Officer of CORPORATION 1, located in Coarsegold and then Fresno, California. CORPORATION 1  
11 had a contract with the California Department of Public Health to provide services to the Office of  
12 AIDS, including distributing condoms and other harm reduction supplies.

13 6. Individual 5 lived in the Fresno, California, area. Individual 5 was the Chief Financial  
14 Officer of CORPORATION 1.

15 7. Individual 6 resided in Orangevale, California. Individual 6 was employed as an analyst  
16 in the Office of AIDS at the California Department of Public Health in Sacramento, California.

17 **II. SCHEME TO DEFRAUD**

18 8. Beginning by about December 2017, and continuing until at least about November 2018,  
19 defendant SCHENELLE M. FLORES and others known and unknown to the Grand Jury knowingly  
20 devised, intended to devise, and participated in a material scheme and artifice to defraud and to obtain  
21 money by means of materially false and fraudulent pretenses, representations, promises, and half-truths.

22 9. The purpose of the scheme was to divert funds from the California Department of Public  
23 Health for the personal use of SCHENELLE M. FLORES and others known and unknown to the Grand  
24 Jury.

25 **III. MANNER AND MEANS**

26 In furtherance of the fraud, SCHENELLE M. FLORES employed, among others, the following  
27 ways and means:

28 10. SCHENELLE M. FLORES and others known and unknown to the Grand Jury incurred

1 expenses on behalf of CORPORATION 1 and directed CORPORATION 1 to incur expenses that were  
2 personal and not for business related to the Office of AIDS. SCHENELLE M. FLORES and others  
3 working with her made and caused to be made material false statements, representations, promises, and  
4 half-truths so that the personal expenses incurred by CORPORATION 1 would be charged to the State  
5 of California pursuant to the contract between CORPORATION 1 and the California Department of  
6 Public Health.

7 11. Individual 5 gave SCHENELLE M. FLORES access to debit cards linked to bank  
8 accounts for CORPORATION 1. SCHENELLE M. FLORES, Individual 1, Individual 6, and others  
9 used those debit cards to make personal purchases, including but not limited to season tickets to sports  
10 games, concert tickets, personal travel, events hosted by restaurants and other venues, gift cards, and  
11 payments to family and friends. SCHENELLE M. FLORES, Individual 4, Individual 5, and Individual  
12 6 corresponded about falsely designating the personal purchases as expenses under the state contract,  
13 despite knowing that such designation was false.

14 12. SCHENELLE M. FLORES also directed CORPORATION 1, though Individual 4 and  
15 Individual 5, to purchase batches of gift cards. On several occasions, SCHENELLE M. FLORES  
16 directed CORPORATION 1, though Individual 4 and Individual 5, to provide the gift cards to Individual  
17 1. SCHENELLE M. FLORES falsely represented to Individual 4 and Individual 5 that the gift cards  
18 were for use by the Office of AIDS, such as for patient incentives, when in fact they were for personal  
19 use by SCHENELLE M. FLORES, Individual 1, and their family and friends.

20 13. In addition, SCHENELLE M. FLORES directed CORPORATION 1, though Individual 4  
21 and Individual 5, to pay invoices to businesses that were purportedly doing work for the Office of AIDS,  
22 including SOLE PROPRIETORSHIP 1 and SOLE PROPRIETORSHIP 2. SCHENELLE M. FLORES  
23 submitted to CORPORATION 1 invoices for those businesses with multiple false representations,  
24 promises, and half-truths, including about the individuals associated with the businesses and the services  
25 performed or promised to be performed for the Office of AIDS. Individual 2 opened a bank account in  
26 the name of SOLE PROPRIETORSHIP 1, whose entity name indicated that it provided consulting  
27 services. Individual 3 opened a bank account in the name of SOLE PROPRIETORSHIP 2, whose entity  
28 name indicated that it provided website technology services. The invoices submitted by SCHENELLE

1 M. FLORES directed CORPORATION 1 to make payments to the bank accounts that were controlled  
2 by Individual 2 and Individual 3, despite the fact that Individual 2, Individual 3, SOLE  
3 PROPRIETORSHIP 1, and SOLE PROPRIETORSHIP 2 were not doing work for the Office of AIDS.  
4 The funds paid by CORPORATION 1 were then used for personal purposes by Individual 2, Individual  
5 3, SCHENELLE M. FLORES, Individual 1, and others. Among other things, Individual 1 received  
6 substantial funds from Individual 3 via checks listing purported website and information technology  
7 work that Individual 1 never performed.

8 14. It was further part of the scheme that SCHENELLE M. FLORES, Individual 4,  
9 Individual 5, and others caused the personal expenses, including debit card purchases, gift card  
10 purchases, and invoice payments, to be charged to the state contract. Individual 4 and Individual 5 did  
11 so knowing that SCHENELLE M. FLORES had falsely designated personal debit card purchases as  
12 expenses under the state contract. Individual 4 submitted invoices to the Office of AIDS on behalf of  
13 CORPORATION 1 that contained false representations, promises, and half-truths, including that the  
14 expense amounts claimed on the invoices were for HIV prevention services and that the amounts  
15 claimed were owed to CORPORATION 1 for expenses under the contract. SCHENELLE M. FLORES  
16 and Individual 6 presented those invoices for payment by the State of California.

17 15. As a result of the scheme, SCHENELLE M. FLORES, Individual 1, Individual 2,  
18 Individual 3, Individual 6, and their families and friends obtained a total of at least approximately \$2  
19 million in personal benefits, including but not limited to cash and purchased items. Individual 4 and  
20 Individual 5 obtained substantial personal compensation through CORPORATION 1, including 2018  
21 annual salaries of approximately \$440,000 each, as a result of maintaining the contract with the  
22 California Department of Public Health.

23 **IV. USE OF THE INTERSTATE WIRES**

24 16. On or about the date listed below, for the purpose of executing the aforementioned  
25 scheme and artifice to defraud and attempting to do so, SCHENELLE M. FLORES, as more specifically  
26 charged below, knowingly caused to be transmitted by means of wire communication in interstate  
27 commerce certain writings, signs, signals, pictures and sounds:  
28

<u>COUNT</u>	<u>ON OR ABOUT DATE</u>	<u>WIRE DESCRIPTION</u>
1	November 9, 2018	Wire transfer of \$309,400 from CORPORATION 1's J.P. Morgan Chase account ending #2567 to SOLE PROPRIETORSHIP 2's Wells Fargo account ending #2406

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

FORFEITURE ALLEGATION: [18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture]

1. Upon conviction of the offense alleged in Count One of this Information, defendant SCHENELLE M. FLORES shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, which constitutes or is derived from proceeds traceable to such violations, including but not limited to the following:

a. A sum of money equal to the total amount of proceeds traceable to such offenses, for which defendant is convicted.

2. If any property subject to forfeiture, as a result of the offense alleged in Count One of this Information, for which defendant is convicted:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;


d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty;

1 it is the intent of the United States, pursuant to 28 U.S.C. § 2461(c), incorporating 21 U.S.C. § 853(p), to  
2 seek forfeiture of any other property of defendant, up to the value of the property subject to forfeiture.  
3

4  
5 Dated: February 2, 2021

McGREGOR W. SCOTT  
United States Attorney

6  
7 By:   
8 MIRIAM R. HINMAN  
9 CHRISTOPHER S. HALES  
10 Assistant United States Attorneys  
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**United States v. Schenelle M. Flores**

**Penalties for Information**

**COUNT 1:**

VIOLATION: 18 U.S.C. § 1343 – Wire Fraud

PENALTIES: Up to 20 years in prison; or  
Fine of up to \$250,000, or twice the gross gain or gross loss, whichever is greater; or both  
fine and imprisonment  
Supervised release of up to 3 years  
Restitution

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

**FORFEITURE ALLEGATION:**

VIOLATION: 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Criminal Forfeiture

PENALTIES: As stated in the charging document