

1 PHILLIP A. TALBERT
United States Attorney
2 NICHOLAS M. FOGG
Assistant United States Attorney
3 501 I Street, Suite 10-100
Sacramento, CA 95814
4 Telephone: (916) 554-2700
Facsimile: (916) 554-2900
5

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EASTERN DISTRICT OF CALIFORNIA

SEALED

6 Attorneys for Plaintiff
United States of America
7

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

10 UNITED STATES OF AMERICA,
11 Plaintiff,
12 v.
13 RICHARD ALAN ABRUSCI,
14 Defendant.
15

CASE NO. 2:23-cr-0293 DJC
18 U.S.C. § 1343 – Wire Fraud (9 counts); 18 U.S.C. §
1028A – Aggravated Identity Theft; 18 U.S.C. §
1957(a) – Monetary Transactions with Proceeds of
Specified Unlawful Activity (3 counts); 18 U.S.C. §
981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461(c)–
Criminal Forfeiture

16
17 INDICTMENT

18 COUNTS ONE THROUGH NINE: [18 U.S.C. § 1343 – Wire Fraud]

19 The Grand Jury charges:

20 RICHARD ALAN ABRUSCI,

21 defendant herein, as follows:

22 **I. PARTIES AND RELEVANT ENTITIES**

23 At all relevant times,

24 1. Defendant RICHARD ALAN ABRUSCI lived in Sacramento County in the State and
25 Eastern District of California. ABRUSCI began working at Non-Profit 1 in 2014. He was promoted to
26 Non-Profit 1’s Vice President for Operations in 2015 and to President and CEO in 2018. In these roles
27 he also exercised control over Non-Profit 2. Non-Profit 1 fired ABRUSCI in July 2021.

28 2. Non-Profit 1 was a non-profit entity that operated a chain of retail stores in California and

1 Nevada. Non-Profit 1 also served as an umbrella organization providing support to multiple subsidiary
2 non-profit entities.

3 3. Non-Profit 2 was a non-profit entity that connected community members with public
4 services in the Sacramento area. It was a subsidiary of Non-Profit 1.

5 4. Resolution Arrangement Services (“RAS”) was a fictitious business name registered by
6 ABRUSCI with Sacramento County in 2008. Also in 2008, ABRUSCI opened a bank account at Chase
7 Bank, account ending in 4245, in the name of Richard Abrusci DBA, Resolution Arrangement Services.
8 The next year, ABRUSCI opened a TD Ameritrade brokerage account in his own name and listed RAS
9 as his employer.

10 5. Non-Profit Employee 1 began working as the Chief Financial Officer of Non-Profit 1 no
11 later than December 2019.

12 6. Attorney 1 was an attorney who represented Non-Profit 1 in a dispute over hazardous
13 waste at retail stores operated by Non-Profit 1.

14 **II. SCHEME TO DEFRAUD**

15 7. Beginning in or about May 2016 and continuing through in or about April 2021, in the
16 State and Eastern District of California, ABRUSCI knowingly devised, intended to devise, and
17 participated in and executed a material scheme and artifice to defraud and to obtain money by means of
18 materially false and fraudulent pretenses, representations, promises, and the concealment of material
19 facts that he had a duty to disclose.

20 8. The purpose of the scheme and artifice to defraud was to obtain money from Non-Profit 1
21 and Non-Profit 2 in the form of payments to RAS, an entity ABRUSCI controlled, for various services
22 that, in fact, RAS did not perform.

23 9. Between in or about May 2016 and in or about April 2021, ABRUSCI fraudulently
24 diverted and converted to his own use and benefit approximately \$1.4 million from Non-Profit 1 and
25 Non-Profit 2.

26 **III. MANNER AND MEANS**

27 10. ABRUSCI used the following manner and means, among others, in furtherance of the
28 scheme and artifice to defraud:

1 11. ABRUSCI submitted false and fraudulent invoices from RAS to Non-Profit 1 and Non-
2 Profit 2. Those invoices described services that RAS had not actually provided Non-Profit 1 and Non-
3 Profit 2.

4 12. ABRUSCI concealed and did not disclose to Non-Profit 1 and Non-Profit 2 that RAS did
5 not perform such services. Instead, ABRUSCI signed Non-Profit 1 and Non-Profit 2 purchase orders
6 authorizing payment of the false and fraudulent RAS invoices. Based on these authorizations, Non-
7 Profit 1 and Non-Profit 2 paid RAS by check.

8 13. ABRUSCI deposited the checks to RAS from Non-Profit 1 and Non-Profit 2 into the
9 RAS bank account that he controlled at Chase Bank.

10 14. Later in the scheme, after ABRUSCI became the President and CEO of Non-Profit 1, he
11 supplemented the false and fraudulent invoices and purchase orders by emailing Non-Profit 1's CFO,
12 Non-Profit Employee 1, and directing him to make payments to RAS.

13 15. Throughout the scheme, ABRUSCI directed Non-Profit 1 and Non-Profit 2 to pay RAS
14 for services that RAS purportedly provided in three specific areas: information technology, settling a
15 lawsuit, and COVID-19 call centers.

16 Information Technology Services

17 16. During the scheme, ABRUSCI submitted more than 60 false and fraudulent RAS
18 invoices to Non-Profit 1 and Non-Profit 2 for information-technology ("IT") services. These purported
19 IT services included both reoccurring monthly IT support and discrete tasks like redesigning a website.

20 17. After submitting the false and fraudulent RAS invoices, ABRUSCI signed Non-Profit 1
21 and Non-Profit 2 purchase orders authorizing payment of the RAS invoices. Based on these purchase
22 orders, Non-Profit 1 and Non-Profit 2 paid RAS by check. ABRUSCI deposited these checks into the
23 RAS bank account at Chase Bank. These payments totaled more than \$400,000.

24 18. In truth and fact, RAS provided none of the IT services RAS billed for. Instead,
25 employees of Non-Profit 1 and Non-Profit 2 and other outside contractors provided these services.

26 Settlement of Hazardous Waste Dispute

27 19. In 2019, a group of California district attorneys advised Non-Profit 1 of violations of
28 hazardous-waste laws at retail stores run by Non-Profit 1. The district attorneys and Non-Profit 1

1 engaged in settlement negotiations and ultimately resolved the matter in 2020. The settlement required
2 Non-Profit 1 to pay various monetary penalties.

3 20. In his role as President and CEO of Non-Profit 1, ABRUSCI participated in the
4 settlement negotiations with the district attorneys.

5 21. Before the hazardous-waste dispute concluded, however, on or about December 8, 2019,
6 ABRUSCI emailed Non-Profit Employee 1 asking him to prepare a check for the case. In the email,
7 ABRUSCI referred Non-Profit Employee 1 to “settlement terms” attached to ABRUSCI’s email. The
8 purported settlement terms ABRUSCI attached were in the form of a letter dated December 8, 2019, on
9 the letterhead of Attorney 1, that falsely purported to be from Attorney 1. The letter, addressed to a
10 deputy district attorney, said that Non-Profit 1 was prepared to settle the hazardous-waste dispute for
11 \$50,000 that “will be directed to Sacramento County for the use of technology for educational
12 purposes.” The letter went on to say that Non-Profit 1 would pay RAS \$5,000 to “facilitate this
13 agreement.”

14 22. Based on this letter and ABRUSCI’s December 8, 2019 email, Non-Profit 1 paid RAS
15 \$55,000 by check. ABRUSCI deposited the \$55,000 check into the RAS bank account at Chase Bank.

16 23. In reality, the \$50,000 “directed to Sacramento County for the use of technology for
17 educational purposes” was not part of the settlement between Non-Profit 1 and the district attorneys.
18 Nor did RAS provide Sacramento County with \$50,000 worth of “technology for educational purposes.”

19 California Department of Public Health and COVID-19 Call Centers

20 24. In or about March 2020, the California Department of Public Health (“CDPH”) and Non-
21 Profit 1 entered into a contract under which Non-Profit 1 would assist in the operation of call centers
22 providing information about the COVID-19 pandemic. The contract was renewed for a second year in
23 March 2021.

24 25. Acting in his role as President and CEO of Non-Profit 1, ABRUSCI directed Non-Profit
25 1 to pay RAS on four occasions for a total amount of more than \$900,000 for services purportedly
26 provided in support of the contract between Non-Profit 1 and CDPH. In fact, RAS provided none of
27 these services.

28 26. ABRUSCI used various means to direct these payments. In some instances, he submitted

1 a false and fraudulent RAS invoice and then approved a Non-Profit 1 purchase order for payment of that
2 invoice.

3 27. For example, ABRUSCI created and submitted a false and fraudulent RAS invoice to
4 Non-Profit 1 on or about April 3, 2020. The invoice detailed various services that RAS purportedly
5 provided to help Non-Profit 1 fulfill its contract with CDPH. In fact, RAS provided none of the listed
6 services. ABRUSCI then signed a Non-Profit 1 purchase order authorizing the payment of the RAS
7 invoice. Based on that authorization, Non-Profit 1 paid RAS \$125,000.

8 28. In other instances, ABRUSCI contacted Non-Profit 1's CFO, Non-Profit Employee 1,
9 and directed him to pay RAS.

10 29. For example, ABRUSCI emailed Non-Profit Employee 1 on or about December 12, 2020
11 and asked him to prepare a check for RAS. In the email, ABRUSCI told Non-Profit Employee 1 that a
12 CDPH employee had told him that Non-Profit 1 could not delay paying RAS. In truth and fact, the
13 CDPH employee had told ABRUSCI no such thing. The email from ABRUSCI, and a false and
14 fraudulent RAS invoice, caused Non-Profit 1 to pay RAS \$247,000 for services that RAS did not
15 actually provide.

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IV. USE OF WIRE COMMUNICATIONS

30. On or about the dates set forth below, in the State and Eastern District of California and elsewhere, for the purpose of executing the aforementioned scheme and artifice to defraud, and attempting to do so, ABRUSCI did knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, any writings, signs, signals, pictures, and sounds, specifically:

Count	Approximate Date	Wire Description
1	January 22, 2019	Wire signals associated with deposit of \$5,000 check from Non-Profit 1 into Chase Bank account ending in 4245
2	December 19, 2019	Wire signals associated with deposit of \$55,000 check from Non-Profit 1 into Chase Bank account ending in 4245
3	February 28, 2020	E-signature by ABRUSCI, transmitted via interstate wire, of a Non-Profit 2 purchase order
4	April 3, 2020	E-signature by ABRUSCI, transmitted via interstate wire, of a Non-Profit 1 purchase order
5	December 15, 2020	Wire signals associated with deposit of \$247,000 check from Non-Profit 1 into Chase Bank account ending in 4245
6	March 26, 2021	Email from ABRUSCI to Non-Profit Employee 1, transmitted via interstate wire, regarding a payment to RAS
7	March 26, 2021	E-signature by ABRUSCI, transmitted via interstate wire, of a Non-Profit 1 Check Request Form
8	March 29, 2021	Wire signals associated with deposit of \$287,499.99 check from Non-Profit 1 into Chase Bank account ending in 4245
9	April 16, 2021	Wire signals associated with deposit of \$287,500 check from Non-Profit 1 into Chase Bank account ending in 4245

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

COUNT TEN: [18 U.S.C. § 1028A – Aggravated Identity Theft]

The Grand Jury further charges: T H A T

RICHARD ALAN ABRUSCI,

defendant herein, as follows:

1. The Grand Jury realleges and incorporates by reference the allegations set forth in paragraphs 1-15 and 19-23 of Counts One through Nine of this Indictment.

2. On or about December 8, 2019, in the State and Eastern District of California, RICHARD ALAN ABRUSCI knowingly possessed and used, without lawful authority, a means of identification of another person, during and in relation to a felony violation, that is, a violation of Title 18, United States

1 Code, Section 1343, knowing that the means of identification belonged to another actual person, to wit:
2 Attorney 1's name, all in violation of Title 18, United States Code, Section 1028A.

3 COUNT ELEVEN: [18 U.S.C. § 1957(a) – Monetary Transactions with Proceeds of Specified
4 Unlawful Activity]

5 The Grand Jury further charges: T H A T

6 RICHARD ALAN ABRUSCI,

7 defendant herein, on or about December 20, 2019, in the County of Sacramento, State and Eastern
8 District of California, and elsewhere did knowingly engage and attempt to engage in a monetary
9 transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in
10 criminally derived property of a value greater than \$10,000, that is, the transfer of \$50,000 from the
11 Chase Bank account ending in 4245 in the name of Richard A. Abrusci DBA, Resolution Arrangement
12 Services to the Chase Bank account ending in 7987 in the name of Richard A. Abrusci, such property
13 having been derived from a specified unlawful activity, that is a violation of Title 18, United States
14 Code, Section 1343, knowing that the property involved in the financial transaction represented the
15 proceeds of some form of unlawful activity, all in violation of Title 18, United States Code, Section
16 1957(a).

17 COUNT TWELVE: [18 U.S.C. § 1957(a) – Monetary Transactions with Proceeds of Specified
18 Unlawful Activity]

19 The Grand Jury further charges: T H A T

20 RICHARD ALAN ABRUSCI,

21 defendant herein, on or about May 21, 2021, in the County of Sacramento, State and Eastern District of
22 California, and elsewhere did knowingly engage and attempt to engage in a monetary transaction by,
23 through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived
24 property of a value greater than \$10,000, that is, the transfer of \$50,000 from the Chase Bank account
25 ending in 4245 in the name of Richard A. Abrusci DBA, Resolution Arrangement Services to the TD
26 Ameritrade account ending in 2930 in the name of Richard Abrusci, such property having been derived
27 from a specified unlawful activity, that is a violation of Title 18, United States Code, Section 1343,
28 knowing that the property involved in the financial transaction represented the proceeds of some form of

1 unlawful activity, all in violation of Title 18, United States Code, Section 1957(a).

2 COUNT THIRTEEN: [18 U.S.C. § 1957(a) – Monetary Transactions with Proceeds of Specified
3 Unlawful Activity]

4 The Grand Jury further charges: T H A T

5 RICHARD ALAN ABRUSCI,

6 defendant herein, on or about August 9, 2021, in the County of Sacramento, State and Eastern District of
7 California, and elsewhere did knowingly engage and attempt to engage in a monetary transaction by,
8 through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived
9 property of a value greater than \$10,000, that is, the transfer of \$50,000 from the Chase Bank account
10 ending in 4245 in the name of Richard A. Abrusci DBA, Resolution Arrangement Services to the TD
11 Ameritrade account ending in 2930 in the name of Richard Abrusci, such property having been derived
12 from a specified unlawful activity, that is a violation of Title 18, United States Code, Section 1343,
13 knowing that the property involved in the financial transaction represented the proceeds of some form of
14 unlawful activity, all in violation of Title 18, United States Code, Section 1957(a).

15 FORFEITURE ALLEGATION: [18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461(c) –
16 Criminal Forfeiture]

17 1. Upon conviction of one or more of the offenses alleged in Counts One through Nine of
18 this Indictment, defendant RICHARD ALAN ABRUSCI shall forfeit to the United States, pursuant to
19 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, which constitutes or is
20 derived from proceeds traceable to such violations, including, but not limited to:

- 21 a. approximately \$70,000.00 seized from Chase Bank account number 9343714245,
22 held in the name of Richard A. Abrusci dba Resolution Arrangement Services,
23 b. approximately \$38,582.49 seized from TD Ameritrade account number 756-362930,
24 held in the name of Richard Abrusci,
25 c. approximately \$3,061.65 seized from Wells Fargo Bank account number
26 6214166578, held in the names of Richard Abrusci and Kenichiro Heller,
27 d. approximately \$2,194.88 seized from Wells Fargo Bank account number
28 8369598159, held in the name of Richard Abrusci,
e. approximately \$383.22 seized from Wells Fargo Bank account number 3171291978,

1 held in the name of Palm Housing, LLC,

2 f. approximately \$274.06 seized from Wells Fargo Bank account number 5572048543,
3 held in the name of Richard Abrusci,

4 g. approximately \$88.20 seized from Wells Fargo Bank account number 5271925306,
5 held in the name of Richard Abrusci, and

6 h. a sum of money equal to the amount of money involved in the offenses, for which
7 defendant is convicted.

8 2. Upon conviction of one or more of the offenses alleged in Counts Eleven through
9 Thirteen of this Indictment, defendant RICHARD ALAN ABRUSCI shall forfeit to the United States,
10 pursuant to 982(a)(1), all property, real or personal, involved in such offenses, and any property
11 traceable to such property, including but not limited to the following:

12 a. approximately \$70,000.00 seized from Chase Bank account number 9343714245,
13 held in the name of Richard A. Abrusci dba Resolution Arrangement Services,

14 b. approximately \$38,582.49 seized from TD Ameritrade account number 756-362930,
15 held in the name of Richard Abrusci, and

16 c. a sum of money equal to the amount of money involved in the offenses, for which
17 defendant is convicted.

18 3. If any property subject to forfeiture as a result of the offenses alleged in Counts One
19 through Nine and Counts Eleven through Thirteen of this Indictment, for which defendant is convicted:

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

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

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

23 d. has been substantially diminished in value;

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

25 it is the intent of the United States, pursuant to 28 U.S.C. § 2461(c) and 18 U.S.C. § 982(b)(1),

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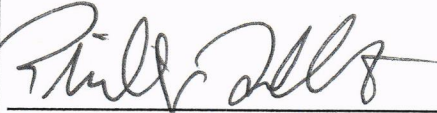
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1 incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant, up to the
2 value of the property subject to forfeiture.

3 A TRUE BILL.

4
5 **/s/ Signature on file w/AUSA**

6 FOREPERSON

7 

8 PHILLIP A. TALBERT
9 United States Attorney

No. _____

2:23-cr-0293 DJC

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

RICHARD ALAN ABRUSCI

INDICTMENT

VIOLATION(S): 18 U.S.C. § 1343 – Wire Fraud (9 Counts)
18 U.S.C. § 1028A – Aggravated Identity Theft
18 U.S.C. § 1957(a) – Monetary Transactions with Proceeds of Specified Unlawful Activity (3 Counts)

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this 16th *day*

of November *, A.D. 20* 23

/s/ Alexandra Waldrop

Clerk.

Bail, \$

No Bail Warrant Pending Hearing

Kendall J. Newman

Kendall J. Newman, United States Magistrate Judge

United States v. Abrusci
Penalties for Indictment

Defendant

Richard Alan Abrusci

COUNTS ONE-NINE:

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

PENALTIES: A maximum of up to 20 years in prison
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to three years

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

COUNT TEN:

VIOLATION: 18 U.S.C. § 1028A – Aggravated Identity Theft

PENALTIES: Mandatory two years of imprisonment to be served consecutively to any
sentence imposed on Counts One through Nine
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of not more than one year

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

COUNTS ELEVEN-THIRTEEN:

VIOLATION: 18 U.S.C. § 1957(a) – Monetary Transactions with Proceeds of Specified
Unlawful Activity

PENALTIES: A maximum of up to ten years in prison
Fine of up to \$250,000 or twice the amount of the criminally derived
property involved in the transactions; or both fine and imprisonment
Supervised release of up to three years

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

FORFEITURE ALLEGATION:

VIOLATION:

PENALTIES: As stated in the charging document