

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

Counts One, Two: 18 USC 1343 (Wire Fraud) Petty
Counts Three, Four: 18 U.S.C. 1957 (Money Laundering) Minor
Count Five: 26 U.S.C. 7206(1) - (Filing False Tax Return) Misdemeanor
 Felony

PENALTY: Counts One and Two: Twenty Years Imprisonment, \$250,000 fine, 3 years supervised release; Counts Three and Four: Ten year Imprisonment; \$250,000 fine or twice the amount of the criminally derived proceeds, 3 years supervised release; Count Five: Three years imprisonment, \$100,000 fine, 1 year supervised release

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

NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

DEFENDANT - U.S

▶ Shelbee Szeto

DISTRICT COURT NUMBER **4:22-cr-00059-HSG**

PROCEEDING

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

IRS

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 Stephanie M. Hinds

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Molly K. Priedeman

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

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 been filed? Yes 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

FILED

Feb 11 2022

Mark B. Busby
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

If Summons, complete following:

Arraignment Initial Appearance

Defendant Address:

Bail Amount: _____

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

Date/Time: _____ Before Judge: _____

Comments:

1 STEPHANIE M. HINDS (CABN 154284)
United States Attorney

FILED

Feb 11 2022

Mark B. Busby
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION

11 UNITED STATES OF AMERICA,) CASE NO. **4:22-cr-00059-HSG**
12 Plaintiff,)
13 v.) VIOLATIONS:
14 SHELBEE SZETO,) 18 U.S.C. § 1343 – Wire Fraud;
15 Defendant.) 18 U.S.C. § 1957– Money Laundering;
16) 26 U.S.C. § 7206(1) – Filing False Tax Return
17) 18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461(c) –
Criminal Forfeiture
OAKLAND VENUE

18
19 I N F O R M A T I O N

20 The United States Attorney charges:

21 I n t r o d u c t o r y A l l e g a t i o n s

- 22 1. The defendant Shelbee Szeto (“SZETO”) was an individual who resided in the Northern
23 District of California, including in Alameda County.
- 24 2. HP Inc. (“HP”) is a multinational information technology company headquartered in Palo
25 Alto, California.
- 26 3. HP issued commercial credit cards called Procurement Cards (“PCards”) to HP
27 employees. Pursuant to HP Policy, PCards were not permitted to be used for personal expenses. All
28 PCard charges were required to be reconciled in an HP online system. To reconcile a purchase, HP

1 employees were required to approve the purchase using the HP online system, enter a charge description
2 and business justification, and attach a copy of the invoice associated with the payment.

3 4. PayPal, Square, and Stripe were each technology companies that permit users to engage
4 in online payment processing.

5 5. First Republic Bank was a federally-insured financial institution at which SZETO
6 maintained a bank account.

7 The Scheme and Artifice to Defraud

8 6. From approximately August 7, 2017 to June 25, 2021, SZETO was employed by HP.
9 SZETO was initially hired as an executive assistant, and was later promoted to a finance planning
10 manager position. In these roles, SZETO was responsible for making payments to vendors who
11 produced marketing materials for HP products.

12 7. In her position at HP, SZETO was issued multiple American Express HP PCards. On
13 approximately August 7, 2017, SZETO signed an agreement to fully comply with HP's PCard policies
14 and procedures, which explicitly prohibited the use of the PCards for personal expenses.

15 8. SZETO participated in, devised, and intended to devise a fraudulent scheme whereby she
16 defrauded HP using the following manner and means, among others: (1) unlawfully sending payments
17 from HP PCards to merchant accounts under her control that would ultimately be used to purchase
18 goods for her personal benefit; (2) falsely representing to HP that the payments were made to legitimate
19 vendors; (3) falsely representing to Square that the payments sent from the HP PCards were sent from
20 third parties for legitimate business transactions; (4) falsely representing to First Republic Bank that the
21 money she stole from HP was for legitimate business transactions.

22 9. Between approximately April 24, 2018 and April 23, 2021, SZETO knowingly charged
23 approximately \$4.8 million dollars in payments from her HP PCards to PayPal, Square, and Stripe
24 merchant accounts under her control and for her personal benefit. For example, on October 23, 2020,
25 SZETO used an HP PCard to transmit a \$40,000 payment to a Square account under her control. And
26 on February 9, 2021, SZETO used an HP PCard to transmit a \$50,000 payment to a Square account
27 under her control. Both payment requests were routed electronically from a server in Fremont,
28 California, to an American Express server in North Carolina, where they were processed and, ultimately,

1 paid. SZETO attempted to charge another approximately \$330,000 from an HP PCard to a Square
2 account under her control. Square declined to process that transaction.

3 10. SZETO knew that she was prohibited from making transfers from her HP PCards to
4 merchant accounts under her control. To disguise the fact that SZETO was making payments to
5 merchant accounts under her control and in furtherance of her scheme to defraud, SZETO falsely
6 represented to HP that the payments were made to legitimate vendors by submitting false invoices to HP
7 to justify the payments. SZETO created the false invoices that fraudulently represented that the
8 payments to her accounts in her control were actually made to legitimate vendors.

9 11. SZETO made further false representations to Square in furtherance of her scheme. On or
10 about March 12, 2021, when Square asked SZETO for business documentation to support some of the
11 charges made from a PCard, SZETO provided a credit card authorization form that falsely represented
12 that one of the HP PCards belonged to a third party, who she falsely represented was her “customer.”
13 SZETO also falsely told the Square investigators that some of the funds she received were for marketing
14 work related to real estate transactions and provided fraudulent statements of work in an attempt to
15 justify the charges to the Square merchant account.

16 12. When a First Republic Bank employee questioned the source of the fraudulent funds that
17 SZETO stole from HP, SZETO falsely represented to the employee that the deposits were legitimate
18 business income from her work as a consultant and that she had received approximately \$3.6 million in
19 legitimate business income between approximately May 2020 and April 2021.

20 Laundering of the Proceeds of the Wire Fraud

21 13. SZETO linked her Stripe and Square merchant accounts to her First Republic Bank
22 account -7361 and between May 2019 and March 2021, SZETO caused over \$4 million dollars to be
23 transferred from her Stripe and Square merchant accounts to her First Republic Bank Account -7361.
24 SZETO used the funds for luxury purchases including jewelry, watches, and two vehicles. For example,
25 on October 1, 2019, SZETO transferred \$71,110.55 from Square account ending -2277 into her First
26 Republic account ending -7361, and on October 26, 2020, she transferred \$112,904.55 from the same
27 Square account into the same First Republic account.

Filing of False Tax Returns

1
2 14. Though SZETO told First Republic that the money flowing into her account from Square
3 and the other payment applications was income, she failed to report the income to the Internal Revenue
4 Service (“IRS”) when she filed her tax returns. For example, on April 11, 2021, SZETO filed her 2020
5 tax return, and in that return, she declared that her income was \$96,301 in 2020, when in fact, it was
6 higher because of the money she stole from HP.

7 15. On or about July 11, 2020, SZETO’s 2019 Form 1040 was electronically authorized and
8 was transmitted to the IRS on or about July 13, 2020. On or about April 10, 2021, SZETO’s 2020 Form
9 1040 was electronically authorized and was transmitted to the IRS on or about April 11, 2021.

10 16. In in the 2019 Form 1040, SZETO failed to report approximately \$561,013 in fraud
11 proceeds as income and in 2020, SZETO failed to report at least \$2,876, 092.45 in fraud proceeds in
12 income.

13 17. SZETO knew her 2019 and 2020 Form 1040s were not true and accurate as to every
14 material matter because they underreported her income by hundreds of thousands of dollars in 2019 and
15 millions of dollars in 2020.

16 COUNTS ONE AND TWO: (18 U.S.C. § 1343 – Wire Fraud)

17 18. The factual allegations in Paragraphs 1 through 17 are re-alleged and incorporated herein
18 as if set forth in full.

19 19. Beginning no later than in or about April 2018 and continuing to a date unknown, but at
20 least through April 2021, in the Northern District of California, and elsewhere, the defendant,

21 SHELBEE SZETO,

22 did knowingly and with the intent to defraud participate in, devise, and intend to devise the above-
23 described scheme to defraud and obtain money from HP by means of false and fraudulent pretenses.

24 20. On or about the dates set forth in the separate counts below, in the Northern District of
25 California, for the purpose of executing the aforementioned scheme and artifice to defraud HP, the
26 defendant did knowingly transmit and cause to be transmitted the following writings, signs, signals,
27 pictures, and sounds in interstate and foreign commerce by means of wire communications:
28

COUNT	DATE	ITEMS WIRED
ONE	10/23/2020	\$40,000 payment from PCard -3008 to Square account -2277
TWO	2/9/2021	\$50,000 payment from PCard -3008 to Square account -2277

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

COUNTS THREE AND FOUR: (18 U.S.C. § 1957 – Money Laundering)

21. The factual allegations in Paragraphs 1 through 17 are re-alleged and incorporated by reference.

22. On or about the dates listed in the table below, such dates being approximate, in the Northern District of California, the defendant,

SHELBEE SZETO,

knowingly engaged in the following monetary transactions, in and affecting interstate and foreign commerce, which involved the proceeds of specified unlawful activity in excess of \$10,000, specifically wire fraud, in violation of 18 U.S.C. § 1343, knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity as follows:

COUNT	DATE	DESCRIPTION OF THE MONETARY TRANSACTION
THREE	10/1/2019	Transfer of \$71,110.55 from Square -2277 into First Republic Account - 7361
FOUR	10/26/20	Transfer of \$112,904.55 from Square -2277 into First Republic Account -7361

All in violation of Title 18, United States Code, Sections 1957.

COUNT FIVE: (26 U.S.C. § 7206(1) – Filing of a False Tax Return)

23. The factual allegations in Paragraphs 1 through 17 are re-alleged and incorporated by reference.

24. On or about April 11, 2021, in the Northern District of California, the defendant,

SHELBEE SZETO,

willfully made and subscribed, and caused to be made and subscribed, a 2020 U.S. Individual Income Tax Return, Form 1040, which was verified by a written declaration and it was made under the penalties

1 of perjury and which SZETO did not believe to be true and correct as to every material matter. On that
2 income tax return and its attachments, which were filed with the Internal Revenue Service, SZETO
3 reported that her total income was \$96,301, whereas she then and there knew that her total income was
4 greater than \$96,301.

5 All in violation of Title 26, United States Code, Sections 7206(1).

6
7 FORFEITURE ALLEGATIONS: (18 U.S.C. §§ 981(a)(1)(C), 982(a)(1) & 982(b)(1) & 28 U.S.C.
8 § 2461(c))

9 25. The allegations contained in this Information are re-alleged and incorporated by reference
10 for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C),
11 982(a), and 982(b)(1), and Title 28, United States Code, Section 2461(c).

12 26. Upon conviction for any of the offenses set forth in Counts One and Two of this
13 Information, the defendant,

14 SHELBEЕ SZETO,

15 shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and
16 Title 28, United States Code, Section 2461(c), all property, real or personal, constituting, or derived
17 from proceeds the defendants obtained directly and indirectly, as the result of those violations, including
18 but not limited to the following:

- 19 1. Approximately \$25,403.06 from the First Republic Bank account
20 80009721020 held in the name Shelbee Szeto
- 21 2. 2020 Tesla sedan with California license plate ZWYU, VIN:
5YJ3E1EC4LF746836
- 22 3. 2021 Porsche sport utility vehicle with California license plate
33873HS, VIN: WP1AG2A5XMLB50111
- 23 4. 1 Louis Vuitton teddy bear
- 24 5. 1 Chanel black plastic purse
- 25 6. 1 Louis Vuitton black leather hand bag and attached wallet
- 26 7. 1 Dior small black saddle bag
- 27 8. 1 Dior pink mini lady bag
- 28 9. 1 Dior rose micro lady bag
10. 1 Dior blue micro lady bag

- 1 11. 1 Gucci beige Soho small leather disco bag
- 2 12. 1 Chanel black medium classic flap bag
- 3 13. 1 Chanel black medium Diana bag
- 4 14. 1 Chanel black Coco handle bag
- 5 15. 1 yellow/lime Hermes Kelly bag
- 6 16. 1 black Hermes Kelly bag
- 7 17. 1 pink Hermes Kelly bag
- 8 18. 1 baby blue Hermes Kelly bag
- 9 19. 1 teal Chanel classic medium bag
- 10 20. 1 blue Chanel classic medium bag
- 11 21. 1 light blue Chanel classic medium bag
- 12 22. 1 lime Chanel classic medium bag
- 13 23. 1 red Chanel classic medium bag
- 14 24. 1 lavender Chanel classic medium bag
- 15 25. 1 gray Chanel classic medium bag
- 16 26. 1 pink Chanel classic medium bag
- 17 27. 1 light pink Chanel classic medium bag
- 18 28. 1 white Chanel classic medium bag
- 19 29. 1 yellow/lime Chanel classic medium bag
- 20 30. 1 black Chanel classic medium bag
- 21 31. 1 silver Chanel classic small bag
- 22 32. 1 pink Chanel classic small bag
- 23 33. 1 gold Chanel classic small bag
- 24 34. 1 iridescent pink Chanel classic small bag
- 25 35. 1 black Chanel classic small bag
- 26 36. 1 pearl Chanel classic large bag
- 27 37. 1 tan Chanel classic large bag
- 28 38. 1 black Chanel classic large bag
39. 1 pink Chanel classic large bag
40. 1 beige Chanel classic large bag
41. 1 light green Chanel classic large bag
42. 1 teal Chanel classic large bag
43. 1 white small Hermes Birkin bag
44. 1 red small Hermes Birkin bag
45. 1 teal small Hermes Birkin bag

- 1 46. 1 pink small Hermes Birkin bag
- 2 47. 1 light blue large Hermes Birkin bag
- 3 48. 1 black large Hermes Birkin bag
- 4 49. 1 teal crocodile Hermes Birkin bag
- 5 50. 1 green Hermes Birkin bag
- 6 51. 1 pink Hermes Birkin bag
- 7 52. 1 beige Hermes Birkin bag
- 8 53. 1 pink Hermes Birkin bag
- 9 54. 1 black Hermes Birkin bag
- 10 55. 1 Louis Vuitton backpack-type purse
- 11 56. 1 Bulgari Serpenti Forever charm wallet
- 12 57. 5 Hermes bag charms
- 13 58. 1 pink pearl Chanel purse
- 14 59. 1 silver Chanel purse
- 15 60. 1 red-orange Chanel purse
- 16 61. 1 black Chanel purse
- 17 62. 1 rainbow Chanel purse
- 18 63. 1 white Chanel small purse
- 19 64. 1 purple Chanel purse
- 20 65. 1 black Chanel purse with black chain strap
- 21 66. 1 black leather and pearl Chanel purse with black leather and chain
22 straps
- 23 67. 1 white pearl Chanel purse with black interior
- 24 68. 1 gray-black sequin Chanel purse
- 25 69. 2 black pearl Chanel purses
- 26 70. 1 Chanel tweed flap bag
- 27 71. 1 Louis Vuitton tote bag with wallet
- 28 72. 1 green crocodile Hermes Birkin bag with pink horse charm
73. 1 black leather Hermes Birkin bag
74. 1 silver Chanel clutch purse
75. 1 purple leather Chanel purse
76. 1 beige Chanel purse
77. 1 silver Chanel purse
78. 1 rainbow Chanel purse
79. 1 green crocodile mini Hermes Birkin bag

- 1 80. 1 brown leather mini Hermes Birkin bag
- 2 81. 1 black leather with smile mini Hermes Birkin bag
- 3 82. 2 Dior crocodile small purses - 1 pink, 1 white
- 4 83. 1 black and white Hermes snake purse
- 5 84. 4 assorted Louis Vuitton purses/handbags
- 6 85. 1 Prada black sequin purse
- 7 86. 1 Burberry purse
- 8 87. 1 Louis Vuitton beige fanny pack
- 9 88. 1 Louis Vuitton iridescent plastic purse
- 10 89. 2 coach handbags, 1 green, 1 beige
- 11 90. 5 assorted Louis Vuitton purses/handbags
- 12 91. 1 black and red Louis Vuitton backpack purse
- 13 92. 1 Chloe beige purse
- 14 93. 3 Yves Saint Laurent purses - 1 crocodile, 1 white, 1 black
- 15 94. 1 baby blue Bulgari Serpenti purse
- 16 95. 1 Louis Vuitton bum bag purse
- 17 96. 1 Rolex men's watch and box - serial number 6671M645
- 18 97. 1 Rolex men's watch and box - serial number 135Y2830
- 19 98. 1 Rolex men's watch and box - serial number 5P2U9359
- 20 99. 1 Rolex men's watch and box - serial number 1U4132V9
- 21 100. 1 Audemars Piguet men's watch and box - serial number XG7569R
- 22 101. 6 silver necklaces with pendants
- 23 102. 6 gold necklaces with pendants
- 24 103. 3 silver bracelets
- 25 104. 6 gold bracelets
- 26 105. 1 silver panther ring
- 27 106. 1 silver flower ring
- 28 107. 1 silver Cartier bracelet
108. 1 rose gold Cartier bracelet
109. 1 gold Cartier bracelet
110. 1 Christian Dior necklace
111. 1 rose gold necklace
112. 1 silver necklace
113. 1 diamond necklace
114. 2 gold necklaces

- 1 115. 26 pairs of earrings
- 2 116. 2 silver lock pendant
- 3 117. 2 gold lock pendant
- 4 118. 2 single earrings
- 5 119. 8 gold rings
- 6 120. 12 silver rings
- 7 121. 1 pair of butterfly earrings
- 8 122. 1 Chanel stud earring
- 9 123. 1 gold necklace
- 10 124. 1 pearl necklace
- 11 125. 1 Patek Philippe watch - serial number 7265109
- 12 126. 1 Rolex watch - serial number 923J1547
- 13 127. 1 Patek Philippe watch - serial number A381ACP
- 14 128. 1 Rolex watch - serial number S4Y32171
- 15 129. 1 Rolex watch - serial number 6P4R9587
- 16 130. 1 Rolex watch - serial number H62020L4
- 17 131. 1 Audemars Piguet watch - serial number CJ4604G
- 18 132. 1 Bulgari watch - serial number SP35GL0201
- 19 133. 1 Audemars Piguet watch - serial number K35986
- 20 134. 1 Audemars Piguet watch - serial number HT8618J
- 21 135. 1 Louis Vuitton black cord bracelet
- 22 136. 2 Cartier silver bracelets
- 23 137. 1 pair of Bulgari gold and green stud earrings
- 24 138. 1 pair of silver stud earrings, no known brand
- 25 139. 1 Cartier rose gold and diamond ring
- 26 140. 1 pair of diamond stud earrings, with one cross, no known brand
- 27 141. 1 Cartier Panthere ring with emerald eyes
- 28 142. 1 Shreve & Co. silver chain necklace
143. 1 gold pendant cross necklace
144. 1 silver "paper clip" necklace
145. 1 Pandora charm bracelet
146. 1 strand of 8 Mikimoto pearls
147. 1 gold necklace with pendant
148. 1 Cartier cheetah pendant necklace
149. 1 Tiffany & Co. ball and lock necklace

- 1 150. 1 Cartier cheetah pendant necklace with tassel
- 2 151. 1 Louis Vuitton pendant/pin necklace
- 3 152. 1 Cartier bolo necklace
- 4 153. 1 Chanel gold necklace
- 5 154. 1 Chanel silver necklace
- 6 155. 1 Bulgari diamond necklace
- 7 156. 1 gold necklace
- 8 157. 7 necklaces with clover-shaped design
- 9 158. 2 bracelets with clover-shaped design
- 10 159. 1 Louis Vuitton bracelet
- 11 160. 1 Chanel WG, diamonds camelia long transformable necklace
- 12 161. 1 Louis Vuitton YG, WG, RG, diamonds brooch

13 If any of the property described above, as a result of any act or omission of the defendants:

- 14 a. cannot be located upon exercise of due diligence;
- 15 b. has been transferred or sold to, or deposited with, a third party;
- 16 c. has been placed beyond the jurisdiction of the court;
- 17 d. has been substantially diminished in value; or
- 18 e. has been commingled with other property which cannot be divided without difficulty,

19 the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21,
20 United State Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2641(c).

21 All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), Title 28, United States Code,
22 Section 2461(c), and Federal Rule of Criminal Procedure 32.2.

23 DATED: February 11, 2022__

STEPHANIE M. HINDS
United States Attorney

24 /s/ Molly K. Priedeman
25 MOLLY K. PRIEDEMAN
26 Assistant United States Attorney