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CENTRAL DIST. OF CALIF.
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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

September 2017 Grand Jury

UNITED STATES OF AMERICA,

EDCR 17-0278 MWF

Plaintiff,

I N D I C T M E N T

v.

[18 U.S.C. § 1343: Wire Fraud; 26
U.S.C. § 7206(1): Making and
Subscribing to a False Income Tax
Return]

CHRISTOPHER LLOYD BURNELL,

Defendant.

The Grand Jury charges:

COUNTS ONE THROUGH ELEVEN

[18 U.S.C. § 1343]

A. THE SCHEME TO DEFRAUD

1. Beginning on a date unknown, but no later than on or about November 30, 2010, and continuing to in or about September 2017, in San Bernardino and Riverside Counties, within the Central District of California, and elsewhere, defendant CHRISTOPHER LLOYD BURNELL ("BURNELL"), together with others known and unknown to the Grand Jury, knowingly and with intent to defraud, devised, participated in, and executed a scheme to defraud victims as to material matters, and to obtain money and property from such victims by means of materially

1 false and fraudulent pretenses, representations, and promises, and
2 the concealment of material facts.

3 2. The scheme to defraud operated, in substance, as follows:

4 a. Defendant BURNELL would earn the trust of victims by
5 holding himself out to be a former deputy sheriff of the San
6 Bernardino County Sheriff's Department.

7 b. Defendant BURNELL would earn the trust of victims by
8 holding himself out to be a wealthy businessman.

9 c. Defendant BURNELL would make false promises and
10 statements, as well as material omissions, to induce victims to lend
11 money to defendant BURNELL, for the supposed purpose of investing in
12 high-return, low-risk or no-risk money-lending opportunities.

13 d. In some instances, defendant BURNELL would represent
14 that he made short-term, high-interest loans to small businesses that
15 used them to finance projects.

16 e. In some instances, defendant BURNELL would ask victims
17 to loan him money for cancer treatment for defendant BURNELL's wife.

18 f. In some instances, defendant BURNELL would ask victims
19 to loan him money for costs associated with a child custody dispute
20 with defendant BURNELL's father-in-law.

21 g. In some instances, defendant BURNELL would use third
22 parties to make false promises and statements, and material
23 omissions, to victims.

24 h. In reliance on defendant BURNELL's false promises and
25 statements, and material omissions, victims would give money either
26 directly to defendant BURNELL or indirectly to defendant BURNELL via
27 third parties.

28

1 i. In some instances, defendant BURNELL would pay the
2 victims back their initial investments with large amounts of supposed
3 profits and, having earned the trust and confidence of the victims,
4 would subsequently ask for larger investments.

5 j. Defendant BURNELL would not apply any of the victims'
6 money toward the purported investments, nor toward any cancer
7 treatment for defendant BURNELL's wife, nor for any child custody
8 dispute with defendant BURNELL's father-in-law, as he had
9 represented. Instead, after the victims had sent him the money,
10 defendant BURNELL spent the money on his own personal expenses.

11 k. Defendant BURNELL would fail to repay the loans to the
12 victims as he had promised.

13 l. Defendant BURNELL would lull some of the victims into
14 believing that repayment would be forthcoming by causing them to be
15 presented with an altered Wells Fargo Bank statement that falsely
16 represented that defendant BURNELL and his wife had \$150,220,310.19
17 in their bank accounts, when, in truth and in fact, the real balance
18 in those Wells Fargo Bank accounts was \$6,424.76.

19 m. In some instances, once victims invested and lent
20 money to defendant BURNELL, defendant BURNELL would pressure them
21 into giving and lending him more money, by telling them that his
22 funds had been seized by federal law enforcement. In truth and in
23 fact, federal law enforcement agencies had not seized defendant
24 BURNELL's funds.

25 n. In some instances, once victims invested and lent
26 money to defendant BURNELL, defendant BURNELL would pressure them
27 into giving and lending him more money, by telling them that if he
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1 did not receive more funds, he would not be able to pay back the
2 original funds the victims had given and lent to defendant BURNELL.

3 3. By devising, executing, and participating in the above
4 scheme, defendant BURNELL induced and attempted to induce victims
5 S.B., D.S., G.T., M.E., G.M., B.P., J.T., Harbison Trust, and Belva
6 Jean Shultz Trust, to distribute to him funds totaling approximately
7 \$5,672,380.90.

8 B. THE MISREPRESENTATIONS

9 4. In furtherance of the scheme to defraud, defendant BURNELL,
10 and others known and unknown to the Grand Jury, knowingly made,
11 caused to be made, and aided and abetted the making of, the following
12 material false and fraudulent pretenses, representations, and
13 promises, to, among others, victim investors:

14 a. That defendant BURNELL had obtained part of his
15 purported wealth by winning a multi-million dollar lawsuit against
16 the County of San Bernardino for workplace-related injuries he
17 suffered as a deputy sheriff for the San Bernardino County Sheriff's
18 Department.

19 b. That defendant BURNELL had obtained a part of his
20 purported wealth by winning a multi-million dollar lawsuit against
21 Kaiser Permanente for medical malpractice in connection with
22 workplace-related injuries he suffered as a deputy sheriff for the
23 San Bernardino County Sheriff's Department.

24 c. That defendant BURNELL had obtained part of his wealth
25 by obtaining and selling a patent for an air-cooled, bullet-resistant
26 vest to Oakley, Inc. for a substantial amount of money.

27 d. That defendant BURNELL owned a jet airplane and
28 employed a crew to pilot the jet airplane.

1 5. In truth and in fact, as defendant BURNELL then well knew:

2 a. Defendant BURNELL never prevailed in a lawsuit against
3 the County of San Bernardino for workplace-related injuries he
4 suffered as a deputy sheriff for the San Bernardino County Sheriff's
5 Department.

6 b. Defendant BURNELL never prevailed in a lawsuit against
7 Kaiser Permanente for medical malpractice in connection with
8 workplace-related injuries he suffered as a deputy sheriff for the
9 San Bernardino County Sheriff's Department.

10 c. Defendant BURNELL never sold a patent to Oakley, Inc.

11 d. Defendant BURNELL did not own any jet airplane, but
12 rather chartered a jet airplane and told the crew to pretend that
13 defendant BURNELL owned the jet airplane.

14 C. CONCEALMENT OF MATERIAL FACTS

15 6. In furtherance of the fraudulent scheme, defendant BURNELL
16 and his co-schemers knowingly concealed and caused others to conceal
17 the following material facts from victims, among others:

18 a. Defendant BURNELL had no legitimate revenue-producing
19 money-lending operation.

20 b. Defendant BURNELL had no legitimate revenue-producing
21 business investment operation.

22 c. Defendant BURNELL's wife, L.B., was not undergoing
23 cancer treatments.

24 d. Federal law enforcement authorities investigating
25 defendant BURNELL had not seized funds in his bank accounts.

26 e. Defendant BURNELL used the funds given to him by
27 investors for personal expenditures, including gambling, for the
28

1 purchase of retail items and the chartering of jet airplanes, and to
2 repay other investors.

3 D. USE OF INTERSTATE WIRE COMMUNICATIONS

4 7. On or about the following dates, within the Central
5 District of California, and elsewhere, defendant BURNELL, for the
6 purpose of executing and attempting to execute the above-described
7 scheme to defraud, transmitted and caused the transmission of the
8 following items by means of wire communication in interstate and
9 foreign commerce:

COUNT	DATE	ITEM WIRED
ONE	December 26, 2012	Cashier's check number 010570 in the amount of \$70,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.
TWO	December 27, 2012	Wire transfer of \$40,000 from the account of Belva Jeanne Shultz Revocable Trust ending in 0704 at RBC Correspondent Bank in St. Paul, Minnesota, to the account of Belva Jeanne Shultz Revocable Trust ending in 0503 at Union Bank in Redlands, California.
THREE	January 2, 2013	Cashier's check number 010578 in the amount of \$60,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.
FOUR	January 3, 2013	Wire transfer of \$40,000 from the account of Belva Jeanne Shultz Revocable Trust ending in 0704 at RBC Correspondent Bank in St. Paul, Minnesota, to the account of Belva Jeanne Shultz Revocable Trust ending in 0503 at Union Bank in Redlands, California.
FIVE	January 8, 2013	Cashier's check number 010589 in the amount of \$35,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.

COUNT	DATE	ITEM WIRED
SIX	January 15, 2013	Cashier's check number 010603 in the amount of \$70,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.
SEVEN	January 15, 2013	Cashier's check number 010604 in the amount of \$25,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.
EIGHT	January 23, 2013	Cashier's check number 010612 in the amount of \$85,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.
NINE	January 29, 2013	Cashier's check number 010616 in the amount of \$45,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.
TEN	January 31, 2013	Cashier's check number 010619 in the amount of \$40,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.
ELEVEN	February 4, 2013	Cashier's check number 010623 in the amount of \$47,000 from the account of J.T. made payable to San Manuel Casino deposited into Citizen's Business Bank in San Bernardino, California, and processed and cleared via wire to the Federal Reserve Bank in Dallas, Texas.

COUNTS TWELVE AND THIRTEEN

[26 U.S.C. § 7206(1)]

On or about the following dates, in San Bernardino County, within the Central District of California, and elsewhere, defendant CHRISTOPHER LLOYD BURNELL ("BURNELL") willfully made and subscribed to a materially false United States Individual Income Tax Return, Form 1040, for the following calendar years, which defendant BURNELL verified by a written declaration that it was made under penalty of perjury, and filed such tax return with the Internal Revenue Service, which defendant BURNELL did not believe to be true and correct as to every material matter contained therein, in that defendant BURNELL falsely claimed on line 22 of his Form 1040 that his total income in the indicated tax year was the amount indicated below, when, as defendant BURNELL then knew and believed, his total income for the

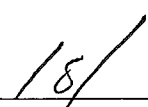
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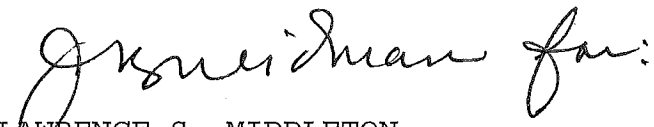
1 indicated calendar year was substantially more than the amount of
2 total income he claimed:

COUNT	DATE	CALENDAR YEAR	INCOME REPORTED ON LINE 22
TWELVE	October 15, 2012	2011	\$6,763,865
THIRTEEN	October 15, 2013	2012	\$2,750,000

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7 A TRUE BILL

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Foreperson

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11 SANDRA R. BROWN
Acting United States Attorney

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13 
14 LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division

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16 JOSEPH B. WIDMAN
Assistant United States Attorney
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18 JERRY C. YANG
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Deputy Chief, Riverside Office
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