



*Eastern District of California  
United States Attorney*

*McGregor W. Scott  
United States Attorney*

*501 I Street, Suite 10-100*

*916/554-2700*

*Sacramento, California 95814*

*Fax 916/554-2900*

*TTY 916/554-2855*

FOR IMMEDIATE RELEASE

May 17, 2005

*Contact: Patty Pontello, 916-554-2706*

*Available at: [www.usdoj.gov/usao/cae/home](http://www.usdoj.gov/usao/cae/home)*

**FORMER CEO OF VALLEY FOSTER CARE PROVIDER  
SENTENCED TO JAIL TIME FOR DEFRAUDING EMPLOYEES**

SACRAMENTO--United States Attorney McGregor W. Scott and San Francisco Regional Director Francis C. Clisham, United States Department of Labor, Employee Benefits Security Administration, announced today that KIMBERLY R. CHIMIKLIS, 48, of Stockton, California, was sentenced to a term of 5 months in custody, as part of a 5-year term of probation. Defendant CHIMIKLIS was also ordered to pay restitution of approximately \$150,511.12 to the victims of crime.

This case is the product of an extensive investigation by agents of the United States Department of Labor, Employee Benefits Security Administration. "The actions taken today send a clear message to individuals responsible for managing pension plans that fraud and abuse will be vigorously investigated and prosecuted," stated Mr. Clisham.

According to Assistant United States Attorney Robin R. Taylor, who prosecuted the case, CHIMIKLIS, the former Chief Executive Officer of Big Valley Helping Hands Corporation ("Big Valley") operated the now defunct non-profit corporation in Stockton, Manteca and Modesto to, among other things, teach foster children how to live independently. On December 14, 2004, defendant CHIMIKLIS pleaded guilty to defrauding Big Valley employees and others. As part of her plea agreement, the defendant admitted stealing employee contributions to a 401(k) plan, and using the money to operate Big Valley and pay salaries. Defendant CHIMIKLIS further admitted to taking employee health care premium payments and failing to forward them to the providers, including Aetna Health Care ("Aetna"). In some instances, the defendant also took employee contributions made to the Big Valley Cafeteria Plan, and instead used them to operate Big Valley and to pay salaries. As a result of the fraud, many employee health care claims were denied.

In operating Big Valley, the defendant also admitted to defrauding Union Safe Deposit Bank by wrongfully cashing a check for \$35,258.54 sent to her by San Joaquin County in error. The defendant also cheated Universal Funding Corporation, a factoring company located in Spokane, Washington. A factoring company advances to individuals and corporations a percentage of money those individuals or corporations are owed by a third party. The factoring company then stands in the shoes of the creditor receiving funds from the third party. Defendant CHIMIKLIS admitted that she factored accounts receivable from San Joaquin County. Although Universal advanced funds to Big Valley, and was to receive the funds from San Joaquin County, when Universal attempted to collect the funds, the defendant falsely denied the factoring relationship and instructed the County to pay all funds to her.

###