

CP
WARRANT ISSUED

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

THE PEOPLE OF THE STATE OF CALIFORNIA,
Plaintiff,
v.
01 EUGENE WEI YU (DOB: 11/01/1957)
Defendant(s).

CASE NO. BA509784

**FELONY COMPLAINT
FOR ARREST WARRANT**

**DISTRICT ATTORNEY'S OFFICE
PUBLIC INTEGRITY DIVISION
211 WEST TEMPLE STREET, SUITE 1000
LOS ANGELES, CA 90012**

2022 OCT 13 PM 4:24

FILED

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The undersigned is informed and believes that:

COUNT 1

On or between October 10, 2019 and October 4, 2022, in the County of Los Angeles, the crime of CONSPIRACY TO COMMIT A CRIME, in violation of PENAL CODE SECTION 182(a)(1), a Felony, was committed by EUGENE WEI YU, who did unlawfully conspire together and with another person and persons whose identities are known and unknown to commit the crime of Embezzlement of Public Funds, in violation of Sections 503 and 514 of the Penal Code, a felony; that pursuant to and for the purpose of carrying out the objectives and purposes of the aforesaid conspiracy, the said conspirators committed the following overt act and acts at and in the County of Los Angeles:

OVERT ACT 1

On October 10, 2019, Eugene Yu did enter into a contract on behalf of Konnech Inc. with the County of Los Angeles to provide secure poll worker management software for the County of Los Angeles for a period of one year. That contract required, as delineated in Section 15, "COMPLIANCE WITH LAWS," that Konnech Inc. "Shall comply with all applicable provisions of Federal State and Local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Purchase Order are hereby incorporated herein by reference."

OVERT ACT 2

On July 21, 2020, Eugene Yu did enter into a contract on behalf of Konnech Inc. with the County of Los Angeles to provide secure poll worker management software for the County of Los Angeles. That contract required, as delineated in Section 15, "COMPLIANCE WITH LAWS," that Konnech Inc. "Shall comply with all applicable provisions of Federal State and Local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Purchase Order are hereby incorporated

herein by reference.”

OVERT ACT 3

On October 20, 2020, Eugene Yu did enter into a contract on behalf of Konnech Inc. with the County of Los Angeles to provide secure poll worker management software for the County of Los Angeles for a period of five years. As part of that contract, he agreed to, as delineated in Exhibit N of the contract, “Information Security Requirements,” that Konnech Inc. would abide by. Those terms included “Personnel and Contractor Protections” that the “[c]ontractor shall screen and conduct background checks on all Contractor personnel contacting County’s Confidential Information, including Personally Identifiable Information, for potential security risks and require all employees and contractors to sign an appropriate written confidentiality/non-disclosure agreement.”

OVERT ACT 4

On October 20, 2020, Eugene Yu did enter into a contract on behalf of Konnech Inc. with the County of Los Angeles to provide secure poll worker management software for the County of Los Angeles for a period of five years. As part of that contract, he agreed to, as delineated in Exhibit N of the contract, “Information Security Requirements,” that Konnech Inc. would abide by. The contract stated that: “Personally Identifiable Information, and County's Confidential Information: (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by County in writing.”

OVERT ACT 5

On October 20, 2020, Eugene Yu did enter into a contract on behalf of Konnech Inc. with the County of Los Angeles to provide secure poll worker management software for the County of Los Angeles for a period of five years. As part of that contract, he agreed to, in Section 7.3, that: “Only Contractor’s staff who are based in the United States and are citizens or lawful permanent residents of the United States shall have access to any County data, including personally identifiable information, hosted in County's instance of the System Software.”

OVERT ACT 6

On or about October 10, 2019, through October 4, 2022, Eugene Yu and other employees at Konnech Inc. were providing these services to Los Angeles County using third-party contractors based in China. Based on evidence recovered from a search warrant executed October 4, 2022, the District Attorney’s Office discovered that Konnech employees known and unknown sent personal identifying information of Los Angeles County election workers to third-party software developers who assisted with creating and fixing

Konnech's internal "PollChief" software.

OVERT ACT 7

On or about August 18, 2022, Luis Nabergoi, project manager for Konnech's contract with the County of Los Angeles, confirmed via the messaging app DingTalk that any employee for Chinese contractors working on PollChief software had "superadministration" privileges for all PollChief clients. Mr. Nabergoi described the situation as a "huge security issue."

OVERT ACT 8

On or about October 4, 2022, Luis Nabergoi, project manager for Konnech's contract with the County of Los Angeles, sent an internal email to Konnech employees stating that the company was "moving to a new stage in the company maturity and we need to ensure the security privacy and confidentiality or [sic] our client data [...]." Nabergoi further stated that to accomplish this, personal identifying information would no longer be included in the fixing of Konnech's PollChief software.

* * * * *

COUNT 2

On or between October 10, 2019 and October 4, 2022, in the County of Los Angeles, the crime of GRAND THEFT BY EMBEZZLEMENT OF PUBLIC FUNDS, in violation of PENAL CODE SECTIONS 503 and 514, a Felony, was committed by EUGENE WEI YU, who fraudulently appropriated public funds exceeding nine hundred fifty dollars (\$950) in value, and/or secreted those funds with a fraudulent intent to appropriate them, while serving as an officer of a county, or a deputy, clerk, or servant of that officer, specifically, as a contractor for Los Angeles County for Los Angeles county, to a use or purpose not in the due and lawful execution of his trust, in his possession and/or under his control by virtue of that trust, was an officer of a county, or a deputy, clerk, or servant of that officer, specifically, contractor for los Angeles county, and, who fraudulently appropriated to a use or purpose not in the due and lawful execution of that trust, public funds in his possession and/or under his control by virtue of that trust, and/or secreted those funds with a fraudulent intent to appropriate them. The funds amounted to \$2,645,000, plus the as yet undetermined value of the personal identifying information, thus exceeding nine hundred fifty dollars (\$950).

NOTICE: Upon a felony conviction for the above offense, prison custody time is to be served in state prison pursuant to Penal Code section 1170.

It is further alleged as to count(s) 1 and 2 that the above offense is a theft of over \$100,000, within the meaning of Penal Code section 1203.045(a).

Furthermore, as to count(s) 1 and 2 the offenses alleged are related felonies, a material element of which is fraud and embezzlement, which involved a pattern of related felony conduct, and the pattern of related felony conduct involved the taking of, and resulted in the loss by County of Los Angeles and County of Los Angelis Poll Workers, more than five hundred thousand dollars (\$500,000), thus subjecting to the additional punishment provided for in Penal Code sections 186.11(a)(2).

NOTICE: Prison custody time is to be served in state prison if the enhancement pursuant to Penal Code section 186.22 is imposed as part of the sentence for the above offense, within the meaning of Penal Code section 1170(h)(3).

* * * * *

NOTICE: Conviction of this offense will require the defendant to provide DNA samples and print impressions pursuant to Penal Code sections 296 and 296.1. Willful refusal to provide the samples and impressions is a crime.

NOTICE: The People of the State of California intend to present evidence and seek jury findings regarding all applicable circumstances in aggravation, pursuant to Penal Code section 1170(b) and *Cunningham v. California* (2007) 549 U.S. 270.

NOTICE: A Suspected Child Abuse Report (SCAR) may have been generated within the meaning of Penal Code §§ 11166 and 11168 involving the charges alleged in this complaint. Dissemination of a SCAR is limited by Penal Code §§ 11167 and 11167.5 and a court order is required for full disclosure of the contents of a SCAR.

NOTICE: Any allegation making a defendant ineligible to serve a state prison sentence in the county jail shall not be subject to dismissal pursuant to Penal Code § 1385.

NOTICE: Conviction of this offense prohibits you from owning, purchasing, receiving, possessing, or having under your custody and control any firearms, and effective January 1, 2018, will require you to complete a Prohibited Persons Relinquishment Form (“PPR”) pursuant to Penal Code § 29810.

NON-WARRANT DEFENDANTS:

<u>DEFENDANT</u>	<u>CII NO.</u>	<u>DOB</u>	<u>BOOKING NO.</u>	<u>BAIL RECOM'D</u>	<u>CUSTODY R'TN DATE</u>
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FELONY COMPLAINT -- ORDER HOLDING TO ANSWER -- P.C. SECTION 872

It appearing to me from the evidence presented that the following offense(s) has/have been committed and that there is sufficient cause to believe that the following defendant(s) guilty thereof, to wit:

(Strike out or add as applicable)

EUGENE WEI YU

<u>Ct.</u>	<u>Charge</u>	<u>Charge Range</u>	<u>Allegation</u>	<u>Alleg. Effect</u>
1	PC 182(a)(1)	Check Code County Jail	PC 1203.045(a) PC 186.11(a)(2)	PSP +2-3-5 State Prison
2	PC 514	16,2,3 Prison+\$0-10,000	PC 1203.045(a) PC 186.11(a)(2)	PSP +2-3-5 State Prison

I order that the defendant(s) be held to answer therefore and be admitted to bail in the sum of:

EUGENE WEI YU _____ Dollars

and be committed to the custody of the Sheriff of Los Angeles County until such bail is given. Date of arraignment in Superior Court will be:

EUGENE WEI YU _____ in Dept _____

at: _____ A.M.

Date: _____
_____ *Committing Magistrate*