



CITY HALL
10300 TORRE AVENUE
CUPERTINO, CA 95014-3255
WWW.CUPERTINO.ORG

PRESS RELEASE

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CONTACT: Brian Babcock, PIO
TELEPHONE: (408) 777-3262

Former City of Cupertino Employee Arrested for Allegedly Embezzling Public Funds

CUPERTINO, CA – Today, the Santa Clara County Sheriff’s Office arrested former City of Cupertino employee Jennifer “Yuen-Cheng” Chang, Senior Accountant, for her alleged role in the embezzlement of public funds. It is believed that Ms. Chang issued and cashed numerous fraudulent checks between 2000 and 2014 for a total of \$791,494.

The Santa Clara County Sheriff’s Office submitted its case to the Santa Clara County District Attorney’s Office for the issuance of a warrant for Ms. Chang. The Santa Clara County District Attorney’s Office has brought forward 68 criminal charges against Ms. Chang. The City of Cupertino will seek full restitution from Ms. Chang through upcoming criminal and civil proceedings.

“Ensuring fiscal integrity is paramount and has been my highest internal priority,” said Mayor Darcy Paul. “This person’s alleged actions are unacceptable and disappointing. We are working to ensure that we have the highest safeguards against fiscal corruption.”

It appears that Ms. Chang took advantage of her position, knowledge of various Finance Division responsibilities, and an old and outdated financial system to devise a scheme that circumvented internal controls.

The checks were uncovered earlier this year by staff during a multi-year, detailed review of several accounts—including payroll, bank reconciliations, and deposits—which began after the implementation a new financial system. The checks were found debited against a liability account and deemed suspicious due to their nature, size, and lack of supporting documentation.

The alleged scheme ended in September 2014 right before the implementation of an upgraded financial system in December 2014 that tightened internal controls. Ms. Chang, who was hired by the City in 1997, retired in July 2015.

No other employees, former or current, are implicated in the alleged scheme at this time.

“I am very appreciative of the efforts of our current Finance Division employees who uncovered this scheme,” said Interim City Manager Amy Chan. “They did their due diligence by continuing a review of the City’s past financial accounts to ensure all are appropriately reconciled. When they noticed these discrepancies, they immediately notified the authorities. We now have an updated financial system and new finance management team that have created stricter controls and more oversight.”

Additional information and documentation will be posted on the City’s website at www.cupertino.org/fraud.

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