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Former City Councilmember Andrea Cardenas Sentenced on Grand Theft Charges

Defendant Ordered to Pay More than \$200,000 in Restitution

San Diego County District Attorney [Summer Stephan](#) said today that defendant Andrea Cardenas, 32, a former Chula Vista City Councilwoman, was sentenced on August 28 to two years of formal probation for committing two felony counts of grand theft. She was also ordered to complete 100 hours of volunteer work. The Probation Department and the District Attorney's Office requested she serve 180 days in county jail, but she was ultimately sentenced to credit for time served of one day custody.

“Our dedicated prosecution team conducted a thorough investigation in which they served 27 search warrants to examine financial and email accounts,” DA Stephan said. “The investigation proved that Cardenas had engaged in multiple fraud schemes over several years. In these types of cases, we often rely on the public, the media, or people who suspect wrongdoing to report potential public integrity crimes to our office so we can investigate.”

Should Cardenas violate the terms of her probation, she could be ordered to serve up to two years and eight months in jail. Cardenas pleaded guilty to fraud, related to funds obtained from the federal Paycheck Protection Program and the state Employment Development Department. Cardenas cheated the U.S. government out of \$176,000 in COVID-19 relief funds, which she laundered and used to pay for personal expenses such as her own campaign debt. She also unlawfully applied for over \$28,000 in unemployment benefits.

Superior Court Judge Rachel Cano ordered that Cardenas' terms of probation also include that she submits to search and seizure, must operate any business legally and comply with all rules and regulations of such business including being licensed, paying taxes, and comply with any campaign finance laws. She must also pay back the full amount she stole including \$176,227 to the Small Business Administration, \$28,908 to the Employment Development Department, and an amount to be determined to the Franchise Tax Board.

Cardenas worked for a political consulting firm called Grassroots Resources, started in 2016 by her brother, Jesus Cardenas. She had the title of Director of Community Engagement, but really held a role as Chief Operating Officer. In 2019, Grassroots Resources began acting as a payroll

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service for one of their clients, Harbor Collective, a marijuana dispensary. In early 2021, Grassroots Resources was being pressured to pay off debts including money owed to TMC Direct, a political mailing company.

In February 2021, Jesus and Andrea Cardenas filed for a Paycheck Protection Program (PPP) Loan from the Small Business Administration via PayPal. They misrepresented multiple items on the application, including: that Grassroots had 34 employees, when in reality 30 of these individuals worked for Harbor Collective; that they were not engaged in activity illegal under federal law (marijuana dispensaries are not legal under federal law); that they were not a business engaged in political consulting; and that the loan funds would be used to cover payroll expenses. The loan was approved for \$176,227.

On May 3, 2021, \$176,227 of PPP loan funds were deposited into a Grassroots' business account. Over the course of the next two weeks, the money was transferred between two different Grassroots accounts. From there, the Cardenas siblings used the PPP funds to pay off multiple personal expenses including campaign debt.

In a separate fraud scheme in 2020, Cardenas unlawfully applied for unemployment benefits and received \$28,908 from the Employment Development Department. She misrepresented on applications that she was not working and not receiving any income. However, Grassroots Resources, for which she was working, was fully operational during that election year handling the campaigns of multiple candidates and other entities.

This case was prosecuted by the San Diego County District Attorney's Office Public Integrity Unit. Team members included Deputy District Attorneys Chandelle Boyce, Hector Jimenez, Leon Schorr, District Attorney Investigators James Hawksley, Justin Bostic, and Forensic Accountant Kevin Boyne. The investigation was also aided by the Department of Homeland Security Covid Fraud Unit.

"Our office remains committed to prosecuting cases involving misuse of public funds, political corruption, and criminal misconduct of government officials," DA Stephan said. "The goals of these prosecutions are not solely to obtain the maximum time in custody but often include other goals like making sure that individuals who engage in corruption are not in public office and can't seek public office in the future, as an example."

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.