

**Government Contractors Indicted in San Antonio for Wire Fraud, Money Laundering -
GSA Office of Inspector General**

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Fraud, Money Laundering**

U.S. Attorney's Office
Western District of Texas
April 11, 2023

SAN ANTONIO – A federal grand jury in San Antonio returned an indictment last week charging four members of a San Antonio family with conspiracy to commit wire fraud and money laundering.

According to court documents, Kenneth Flores, Christopher Flores, Antonio Flores Jr., and Irma Flores, are alleged to have conspired together to defraud the United States by eliminating competition and fixing contract awards and prices on Army contracts for the housekeeping and janitorial services at Army Hospitals and Medical Centers. The alleged scheme involved a corrupt partnership between the Floreses and co-conspirator government employees Karisa Waysepappy Kelley and John Jordan “Chip” Mathes, involving millions of dollars in work on Army healthcare housekeeping and janitorial services contracts in return for bribes and kickbacks, eliminating the Flores’ competition in the process.

The defendants made their initial court appearances Monday, April 10, before U.S. Magistrate Judge Richard B. Farrer of the U.S. District Court for the Western District of Texas.

The four defendants are each charged with one count of conspiracy, one count of conspiracy to commit wire fraud, and one count of conspiracy to commit money laundering. If convicted on all charges, they each face a maximum penalty of 45 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The Floreses are currently released on a \$50,000 bond each. An arraignment hearing is scheduled for April 19.

U.S. Attorney Jaime Esparza of the Western District of Texas made the announcement.

The Defense Criminal Investigative Service; Department of the Army Criminal Investigation Division; U.S. General Services Administration Office of Inspector General; and IRS Criminal Investigation are investigating the case.

Assistant U.S. Attorney William Lewis is prosecuting the case.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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Source: U.S. Attorney's Office [press release](#)