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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY: *[Signature]* DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

January 2003 Grand Jury '04 **CR 1276 JAH**

10	UNITED STATES OF AMERICA,	)	Criminal Case No. _____
11	Plaintiff,	)	<u>I N D I C T M E N T</u>
12	v.	)	Title 18, U.S.C., Sec. 371 -
13	WILLIAM R. FRY (1),	)	Conspiracy; Title 18, U.S.C.,
14	GERONIMO RUBIO (2),	)	Sec. 1347 - Health Care Fraud;
15	DEBBIE LARUE (3),	)	Title 26, U.S.C., Sec. 7206(1) -
16	JOHN DITREDICI (4),	)	Filing A False Tax Return;
	Defendants.	)	Title 31, U.S.C., Secs. 5324(a)(3)
		)	and 5324(d) - Structuring
		)	Financial Transactions; Title 18,
		)	U.S.C., Sec. 2 - Aiding and
		)	Abetting

The grand jury charges:

CONSPIRACY

(Count 1)

1. At all times material to this indictment:

a. American Metabolic Institute, which was located in Tijuana, Mexico, was an "alternative care center" which specialized in the treatment of degenerative diseases, including cancer.

b. Hospital San Martin dba St. Joseph Hospital, also located in Tijuana, Mexico, was American Metabolic Institute's inpatient medical facility that administered American Metabolic Institute's alternative care program.

EPA:bt:San Diego
05/11/4

1 c. Defendant WILLIAM R. FRY was the co-owner and business
2 director of American Metabolic Institute.

3 d. Defendant GERONIMO RUBIO, a medical doctor, was the co-
4 owner and medical director of American Metabolic Institute.

5 e. American Metabolic Institute also was the name of
6 defendant FRY's administrative business located at 180 Otay Lakes
7 Road, Suite 107, Bonita, California. American Metabolic Institute's
8 administrative business processed and mailed health insurance claims
9 for Hospital San Martin dba St. Joseph Hospital. American Metabolic
10 Institute's administrative business also distributed all
11 promotional/informational materials related to the care and treatment
12 available at Hospital San Martin dba St. Joseph Hospital.

13 f. Defendant DEBBIE LARUE was the office manager for
14 American Metabolic Institute's administrative business. As office
15 manager, defendant DEBBIE LARUE processed and mailed health insurance
16 claims to U.S. insurance companies.

17 g. Defendant JOHN DITREDICI was a medical doctor who
18 practiced in New York. Defendant DITREDICI also was a patient of
19 defendant RUBIO at Hospital San Martin dba St. Joseph.

20 h. Blue Cross Blue Shield of Kansas was a "health care
21 benefit program" as defined in Title 18, United States Code, Section
22 24(b).

23 i. Mutual of Omaha was a "health care benefit program" as
24 defined in Title 18, United States Code, Section 24(b).

25 j. Regence Blue Shield of Idaho was a "health care benefit
26 program" as defined in Title 18, United States Code, Section 24(b).

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1 k. Blue Cross Blue Shield of Montana was a "health care
2 benefit program" as defined in Title 18, United States Code,
3 Section 24(b).

4 l. Blue Cross Blue Shield of Texas was a "health care
5 benefit program" as defined in Title 18, United States Code,
6 Section 24(b).

7 m. Blue Cross of California was a "health care benefit
8 program" as defined in Title 18, United States Code, Section 24(b).

9 n. Independence Blue Cross was a "health care benefit
10 program" as defined in Title 18, United States Code, Section 24(b).

11 o. Empire Blue Cross Blue Shield was a "health care
12 benefit program" as defined in Title 18, United States Code,
13 Section 24(b).

14 **CONSPIRACY**

15 2. Beginning at a date unknown to the grand jury and
16 continuing up to and including in or about May 2004, within the
17 Southern District of California, and elsewhere, defendants WILLIAM R.
18 FRY, GERONIMO RUBIO, DEBBIE LARUE and JOHN DITREDICI did knowingly and
19 intentionally conspire together and with others known and unknown to
20 the grand jury to commit an offense against the United States, to wit,
21 health care fraud; in violation of Title 18, United States Code,
22 Section 1347.

23 **MANNER AND MEANS**

24 3. It was a part of the conspiracy that the defendants:

25 a. prepared and submitted health insurance claim forms
26 to health care benefit programs seeking reimbursement for medical
27 procedures, services and supplies that were not provided to the named
28 patients as claimed; and

1 b. fabricated medical reports and hospital bills used in
2 connection with the submission of fraudulent health insurance claim
3 forms to health care benefit programs.

4 **OVERT ACTS**

5 In furtherance of said conspiracy and to effect the objects
6 thereof, the following overt acts, among others, were committed within
7 the Southern District of California, and elsewhere:

8 1. On or about October 9, 1997, in San Diego County,
9 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
10 DEBBIE LARUE submitted health insurance claim forms and
11 caused health insurance claim forms to be submitted to Blue
12 Cross Blue Shield of Kansas for the payment of medical
13 procedures, services and supplies related to Roberta H.

14 2. On or about October 14, 1997, in San Diego County,
15 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
16 DEBBIE LARUE submitted health insurance claim forms and
17 caused health insurance claim forms to be submitted to Blue
18 Cross Blue Shield of Kansas for the payment of medical
19 procedures, services and supplies related to Roberta H.

20 3. On or about June 1, 1999, in San Diego County, California,
21 defendants WILLIAM R. FRY, GERONIMO RUBIO and DEBBIE LARUE
22 submitted health insurance claim forms and caused health
23 insurance claim forms to be submitted to Blue Cross Blue
24 Shield of Kansas for the payment of medical procedures,
25 services and supplies related to Roberta H.

26 4. On or about February 19, 2001, in San Diego County,
27 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
28 DEBBIE LARUE submitted health insurance claim forms and

1 caused health insurance claim forms to be submitted to
2 Mutual of Omaha for the payment of medical procedures,
3 services and supplies related to Pamela G.

4 5. On or about February 28, 2001, in San Diego County,
5 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
6 DEBBIE LARUE submitted health insurance claim forms and
7 caused health insurance claim forms to be submitted to
8 Regence Blue Shield of Idaho for the payment of medical
9 procedures, services and supplies related to Paul M.

10 6. On or about March 30, 2001, in San Diego County,
11 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
12 DEBBIE LARUE submitted health insurance claim forms and
13 caused health insurance claim forms to be submitted to
14 Mutual of Omaha for the payment of medical procedures,
15 services and supplies related to Pamela G.

16 7. On or about April 9, 2001, in San Diego County, California,
17 defendants WILLIAM R. FRY, GERONIMO RUBIO and DEBBIE LARUE
18 submitted health insurance claim forms and caused health
19 insurance claim forms to be submitted to Blue Cross Blue
20 Shield of Montana for the payment of medical procedures,
21 services and supplies related to Beverly C.

22 8. On or about July 6, 2001, in San Diego County, California,
23 defendants WILLIAM R. FRY, GERONIMO RUBIO and DEBBIE LARUE
24 submitted health insurance claim forms and caused health
25 insurance claim forms to be submitted to Blue Cross Blue
26 Shield of Texas for the payment of medical procedures,
27 services and supplies related to Jay B.

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1 9. On or about August 27, 2001, in San Diego County,
2 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
3 DEBBIE LARUE submitted health insurance claim forms and
4 caused health insurance claim forms to be submitted to Blue
5 Cross Blue Shield of Texas for the payment of medical
6 procedures, services and supplies related to Jay B.

7 10. On or about October 31, 2001, in San Diego County,
8 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
9 DEBBIE LARUE submitted health insurance claim forms and
10 caused health insurance claim forms to be submitted to Blue
11 Cross Blue Shield of Montana for the payment of medical
12 procedures, services and supplies related to Beverly C. and
13 Glenn C.

14 11. On or about January 24, 2002, in San Diego County,
15 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
16 DEBBIE LARUE submitted health insurance claim forms and
17 caused health insurance claim forms to be submitted to Blue
18 Cross Blue Shield of Montana for the payment of medical
19 procedures, services and supplies related to Beverly C. and
20 Glenn C.

21 12. On or about March 15, 2002, in San Diego County,
22 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
23 DEBBIE LARUE submitted health insurance claim forms and
24 caused health insurance claim forms to be submitted to Blue
25 Cross of California for the payment of medical procedures,
26 services and supplies related to Teresa F.

27 13. On or about March 20, 2002, in San Diego County,
28 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and

1 DEBBIE LARUE submitted health insurance claim forms and
2 caused health insurance claim forms to be submitted to Blue
3 Cross of California for the payment of medical procedures,
4 services and supplies related to Teresa F.

5 14. On or about April 4, 2002, in San Diego County, California,
6 defendants WILLIAM R. FRY, GERONIMO RUBIO and DEBBIE LARUE
7 submitted health insurance claim forms and caused health
8 insurance claim forms to be submitted to Blue Cross of
9 California for the payment of medical procedures, services
10 and supplies related to Teresa F.

11 15. On or about April 8, 2002, in San Diego County, California,
12 defendants WILLIAM R. FRY, GERONIMO RUBIO and DEBBIE LARUE
13 submitted health insurance claim forms and caused health
14 insurance claim forms to be submitted to Blue Cross of
15 California for the payment of medical procedures, services
16 and supplies related to Teresa F.

17 16. On or about April 12, 2002, in San Diego County,
18 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
19 DEBBIE LARUE submitted health insurance claim forms and
20 caused health insurance claim forms to be submitted to Blue
21 Cross of California for the payment of medical procedures,
22 services and supplies related to Teresa F.

23 17. On or about June 14, 2002, in San Diego County, California,
24 defendants WILLIAM R. FRY, GERONIMO RUBIO, DEBBIE LARUE and
25 JOHN DITREDICI submitted health insurance claim forms and
26 caused health insurance claim forms to be submitted to
27 Independence Blue Cross for the payment of medical
28 procedures, services and supplies related to John D.

- 1 18. On or about July 30, 2002, in San Diego County, California,
2 defendants WILLIAM R. FRY, GERONIMO RUBIO, DEBBIE LARUE and
3 JOHN DITREDICI submitted health insurance claim forms and
4 caused health insurance claim forms to be submitted to
5 Independence Blue Cross for the payment of medical
6 procedures, services and supplies related to John D.
- 7 19. On or about August 20, 2002, in San Diego County,
8 California, defendants WILLIAM R. FRY, GERONIMO RUBIO,
9 DEBBIE LARUE and JOHN DITREDICI submitted health insurance
10 claim forms and caused health insurance claim forms to be
11 submitted to Independence Blue Cross for the payment of
12 medical procedures, services and supplies related to John
13 D.
- 14 20. On or about October 2, 2002, in San Diego County,
15 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
16 DEBBIE LARUE submitted health insurance claim forms and
17 caused health insurance claim forms to be submitted to Blue
18 Cross of California for the payment of medical procedures,
19 services and supplies related to Teresa F.
- 20 21. On or about October 19, 2002, in San Diego County,
21 California, defendants WILLIAM R. FRY, GERONIMO RUBIO,
22 DEBBIE LARUE and JOHN DITREDICI submitted health insurance
23 claim forms and caused health insurance claim forms to be
24 submitted to Independence Blue Cross for the payment of
25 medical procedures, services and supplies related to John
26 D.
- 27 22. On or about December 26, 2002, in San Diego County,
28 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and

1 DEBBIE LARUE submitted health insurance claim forms and
2 caused health insurance claim forms to be submitted to Blue
3 Cross Blue Shield of Kansas for the payment of medical
4 procedures, services and supplies related to Annice R.

5 23. On or about January 15, 2003, in San Diego County,
6 California, defendants WILLIAM R. FRY, GERONIMO RUBIO,
7 DEBBIE LARUE and JOHN DITREDICI submitted health insurance
8 claim forms and caused health insurance claim forms to be
9 submitted to Independence Blue Cross for the payment of
10 medical procedures, services and supplies related to
11 John D.

12 24. On or about March 20, 2003, in San Diego County,
13 California, defendants WILLIAM R. FRY, GERONIMO RUBIO and
14 DEBBIE LARUE submitted health insurance claim forms and
15 caused health insurance claim forms to be submitted to Blue
16 Cross of California for the payment of medical procedures,
17 services and supplies related to Teresa F.

18 25. On or about October 22, 2003, in San Diego County,
19 California, defendants WILLIAM R. FRY, GERONIMO RUBIO,
20 DEBBIE LARUE and JOHN DITREDICI submitted health insurance
21 claim forms and caused health insurance claim forms to be
22 submitted to Empire Blue Cross Blue Shield for the payment
23 of medical procedures, services and supplies related to
24 John D.

25 All in violation of Title 18, United States Code, Section 371.

26 //

HEALTH CARE FRAUD

(Counts 2 - 32)

1. Paragraph 1 of Count 1 of this indictment is realleged and hereby incorporated by reference in Counts 2 through 32 as though fully set forth herein.

SCHEME TO DEFRAUD

2. On or about the dates set forth below, within the Southern District of California, and elsewhere, defendants WILLIAM R. FRY, GERONIMO RUBIO, DEBBIE LARUE and JOHN DITREDICI, and others known and unknown to the grand jury, knowingly and willfully executed, and attempted to execute, a scheme and artifice to defraud health care benefit programs, and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, health care benefit programs, in connection with the delivery of and payment for health care benefits, items, and services.

3. It was a part of the scheme that the defendants:

a. prepared and submitted health insurance claim forms to health care benefit programs seeking reimbursement for medical procedures, services and supplies that were not provided to the named patients as claimed; and

b. fabricated medical reports and hospital bills used in connection with the submission of fraudulent health insurance claim forms to health care benefit programs.

Executions and Attempted Executions of the Scheme

4. On or about the dates set forth below, within the Southern District of California, defendants WILLIAM R. FRY, GERONIMO RUBIO, DEBBIE LARUE and JOHN DITREDICI as set forth below, for the purpose

1 of executing, and attempting to execute, the aforesaid scheme,
 2 submitted health insurance claim forms to the health care benefit
 3 programs as set forth below, and pertaining to the patients, dates of
 4 service and total charges as set forth below:

Count	Defendant	Date	Health Care Benefit Program	Patient	Date(s) of Service	Total Charge
2	FRY RUBIO LARUE	2/19/01	Mutual of Omaha	Pamela G.	12/29/00	\$1,134.00
3	FRY RUBIO LARUE	2/19/01	Mutual of Omaha	Pamela G.	1/26/01	\$1,232.00
4	FRY RUBIO LARUE	2/28/01	Regence Blue Shield of Idaho	Paul M.	7/17/00 to 8/16/00	\$23,987.00
5	FRY RUBIO LARUE	3/30/01	Mutual of Omaha	Pamela G.	12/11/00 to 12/23/00	\$7,693.50
6	FRY RUBIO LARUE	4/9/01	Blue Cross Blue Shield of Montana	Beverly C.	2/19/01 to 3/6/01	\$16,073.50
7	FRY RUBIO LARUE	4/9/01	Blue Cross Blue Shield of Montana	Beverly C.	3/7/01 to 3/16/01	\$6,628.00
8	FRY RUBIO LARUE	7/6/01	Blue Cross Blue Shield of Texas	Jay B.	9/25/00 to 10/17/00	\$18,470.00
9	FRY RUBIO LARUE	8/27/01	Blue Cross Blue Shield of Texas	Jay B.	1/30/01 to 2/16/01	\$13,642.00
10	FRY RUBIO LARUE	10/31/01	Blue Cross Blue Shield of Montana	Beverly C.	4/26/01	\$2,866.00
11	FRY RUBIO LARUE	10/31/01	Blue Cross Blue Shield of Montana	Beverly C.	6/1/01	\$1,000.00
12	FRY RUBIO LARUE	10/31/01	Blue Cross Blue Shield of Montana	Glenn C.	2/19/01 to 2/28/01	\$4,758.50

Count	Defendant	Date	Health Care Benefit Program	Patient	Date(s) of Service	Total Charge
13	FRY RUBIO LARUE	10/31/01	Blue Cross Blue Shield of Montana	Glenn C.	4/26/01	\$521.00
14	FRY RUBIO LARUE	10/31/01	Blue Cross Blue Shield of Montana	Glenn C.	6/1/01	\$395.00
15	FRY RUBIO LARUE	1/24/02	Blue Cross Blue Shield of Montana	Beverly C.	8/31/01	\$1,000.00
16	FRY RUBIO LARUE	1/24/02	Blue Cross Blue Shield of Montana	Beverly C.	11/29/01	\$1,077.50
17	FRY RUBIO LARUE	1/24/02	Blue Cross Blue Shield of Montana	Glenn C.	8/31/01	\$547.00
18	FRY RUBIO LARUE	3/15/02	Blue Cross of California	Teresa F.	7/23/01 to 8/4/01	\$8,372.50
19	FRY RUBIO LARUE	3/20/02	Blue Cross of California	Teresa F.	8/7/01	\$1,407.00
20	FRY RUBIO LARUE	4/4/02	Blue Cross of California	Teresa F.	8/23/01	\$862.50
21	FRY RUBIO LARUE	4/8/02	Blue Cross of California	Teresa F.	9/28/01	\$1,841.50
22	FRY RUBIO LARUE	4/12/02	Blue Cross of California	Teresa F.	1/15/02	\$1,557.50
23	FRY RUBIO LARUE DITREDICI	6/14/02	Independence Blue Cross	John D.	4/29/02 to 5/5/02	\$7,778.50
24	FRY RUBIO LARUE DITREDICI	6/14/02	Independence Blue Cross	John D.	5/6/02 to 5/14/02	\$7,123.00

Count	Defendant	Date	Health Care Benefit Program	Patient	Date(s) of Service	Total Charge
25	FRY RUBIO LARUE DITREDICI	7/30/02	Independence Blue Cross	John D.	4/22/02 to 4/28/02	\$7,858.50
26	FRY RUBIO LARUE DITREDICI	8/20/02	Independence Blue Cross	John D.	6/14/02	\$802.50
27	FRY RUBIO LARUE	10/2/02	Blue Cross of California	Teresa F.	8/2/02	\$1,602.50
28	FRY RUBIO LARUE DITREDICI	10/19/02	Independence Blue Cross	John D.	9/26/02	\$1,914.00
29	FRY RUBIO LARUE	12/26/02	Blue Cross Blue Shield of Kansas	Annice R.	10/14/02 to 11/08/02	\$21,104.50
30	FRY RUBIO LARUE DITREDICI	1/15/03	Independence Blue Cross	John D.	12/12/02	\$2,114.00
31	FRY RUBIO LARUE	3/20/03	Blue Cross of California	Teresa F.	2/26/03 to 3/1/03	\$3,633.00
32	FRY RUBIO LARUE DITREDICI	10/22/03	Empire Blue Cross Blue Shield	John D.	7/31/03	\$1,929.00

All in violation of Title 18, United States Code, Sections 1347 and 2.

FILING A FALSE TAX RETURN -- 26 U.S.C. § 7206(1)

(Count 33)

On or about April 27, 1999, within the Southern District of California, defendant WILLIAM R. FRY did willfully make and subscribe a 1998 U.S. Individual Income Tax Return, Form 1040PC, which was verified by a written declaration that it was made under the penalties

1 of perjury and was filed with the Internal Revenue Service, which
2 return defendant FRY did not believe to be true and correct as to
3 every material matter, in that said return falsely stated on line 22
4 that defendant FRY's total income was \$42,900, whereas as defendant
5 FRY well knew and believed, his total income was substantially higher
6 than \$42,900.

7 All in violation of Title 26, United States Code, Section 7206(1).

8 **FILING A FALSE TAX RETURN**

9 (Count 34)

10 On or about February 11, 2000, within the Southern District of
11 California, defendant WILLIAM R. FRY did willfully make and subscribe
12 a 1999 U.S. Individual Income Tax Return, Form 1040, which was
13 verified by a written declaration that it was made under the penalties
14 of perjury and was filed with the Internal Revenue Service, which
15 return defendant FRY did not believe to be true and correct as to
16 every material matter, in that said return falsely stated on line 22
17 that defendant FRY's total income was \$58,730, whereas as defendant
18 FRY well knew and believed, his total income was substantially higher
19 than \$58,730.

20 All in violation of Title 26, United States Code, Section 7206(1).

21 **FILING A FALSE TAX RETURN**

22 (Count 35)

23 On or about April 15, 2000, within the Southern District of
24 California, defendant GERONIMO RUBIO did willfully make and subscribe
25 a 1999 U.S. Individual Income Tax Return, Form 1040, which was
26 verified by a written declaration that it was made under the penalties
27 of perjury and was filed with the Internal Revenue Service, which
28 return defendant RUBIO did not believe to be true and correct as to

1 every material matter, in that said return falsely stated on line 22
2 that defendant RUBIO's total income was \$15,050, whereas as defendant
3 RUBIO well knew and believed, his total income was substantially
4 higher than \$15,050.

5 All in violation of Title 26, United States Code, Section 7206(1).

6 **FILING A FALSE TAX RETURN**

7 (Count 36)

8 On or about April 24, 2000, within the Southern District of
9 California, defendant GERONIMO RUBIO did willfully make and subscribe
10 a 1998 U.S. Individual Income Tax Return, Form 1040, which was
11 verified by a written declaration that it was made under the penalties
12 of perjury and was filed with the Internal Revenue Service, which
13 return defendant RUBIO did not believe to be true and correct as to
14 every material matter, in that said return falsely stated on line 22
15 that defendant RUBIO's total income was \$14,160, whereas as defendant
16 RUBIO well knew and believed, his total income was substantially
17 higher than \$14,160.

18 All in violation of Title 26, United States Code, Section 7206(1).

19 **FILING A FALSE TAX RETURN**

20 (Count 37)

21 On or about February 7, 2001, within the Southern District of
22 California, defendant WILLIAM R. FRY did willfully make and subscribe
23 a 2000 U.S. Individual Income Tax Return, Form 1040, which was
24 verified by a written declaration that it was made under the penalties
25 of perjury and was filed with the Internal Revenue Service, which
26 return defendant FRY did not believe to be true and correct as to
27 every material matter, in that said return falsely stated on line 22
28 that defendant FRY's total income was \$41,640, whereas as defendant

1 FRY well knew and believed, his total income was substantially higher
2 than \$41,640.

3 All in violation of Title 26, United States Code, Section 7206(1).

4 **FILING A FALSE TAX RETURN**

5 (Count 38)

6 On or about February 15, 2001, within the Southern District of
7 California, defendant GERONIMO RUBIO did willfully make and subscribe
8 a 2000 U.S. Individual Income Tax Return, Form 1040, which was
9 verified by a written declaration that it was made under the penalties
10 of perjury and was filed with the Internal Revenue Service, which
11 return defendant RUBIO did not believe to be true and correct as to
12 every material matter, in that said return falsely stated on line 22
13 that defendant RUBIO's total income was \$14,755, whereas as defendant
14 RUBIO well knew and believed, his total income was substantially
15 higher than \$14,755.

16 All in violation of Title 26, United States Code, Section 7206(1).

17 **FILING A FALSE TAX RETURN**

18 (Count 39)

19 On or about January 11, 2002, within the Southern District of
20 California, defendant GERONIMO RUBIO did willfully make and subscribe
21 a 2001 U.S. Individual Income Tax Return, Form 1040A, which was
22 verified by a written declaration that it was made under the penalties
23 of perjury and was filed with the Internal Revenue Service, in which
24 defendant RUBIO declared that he had examined said return and
25 accompanying schedules and statements, and to the best of his
26 knowledge and belief, the return and accompanying schedules and
27 statements were true and correct, and accurately listed all amounts
28 and sources of income he and his spouse received during the tax year,

1 which declaration defendant RUBIO did not believe to be true and
2 correct as to every material matter, whereas as defendant RUBIO well
3 knew and believed, said return and accompanying schedules and
4 statements did not accurately list all amounts and sources of income
5 he and his spouse received during the tax year.

6 All in violation of Title 26, United States Code, Section 7206(1).

7 **FILING A FALSE TAX RETURN**

8 (Count 40)

9 On or about March 5, 2002, within the Southern District of
10 California, defendant WILLIAM R. FRY did willfully make and subscribe
11 a 2001 U.S. Individual Income Tax Return, Form 1040, which was
12 verified by a written declaration that it was made under the penalties
13 of perjury and was filed with the Internal Revenue Service, which
14 return defendant FRY did not believe to be true and correct as to
15 every material matter, in that said return falsely stated on line 22
16 that defendant FRY's total income was \$41,220, whereas as defendant
17 FRY well knew and believed, his total income was substantially higher
18 than \$41,220.

19 All in violation of Title 26, United States Code, Section 7206(1).

20 **FILING A FALSE TAX RETURN**

21 (Count 41)

22 On or about January 16, 2003, within the Southern District of
23 California, defendant GERONIMO RUBIO did willfully make and subscribe
24 a 2002 U.S. Individual Income Tax Return, Form 1040A, which was
25 verified by a written declaration that it was made under the penalties
26 of perjury and was filed with the Internal Revenue Service, in which
27 defendant RUBIO declared that he had examined said return and
28 accompanying schedules and statements, and to the best of his

1 knowledge and belief, the return and accompanying schedules and
2 statements were true and correct, and accurately listed all amounts
3 and sources of income he and his spouse received during the tax year,
4 which declaration defendant RUBIO did not believe to be true and
5 correct as to every material matter, whereas as defendant RUBIO well
6 knew and believed, said return and accompanying schedules and
7 statements did not accurately list all amounts and sources of income
8 he and his spouse received during the tax year.

9 All in violation of Title 26, United States Code, Section 7206(1).

10 **FILING A FALSE TAX RETURN**

11 (Count 42)

12 On or about February 21, 2003, within the Southern District of
13 California, defendant WILLIAM R. FRY did willfully make and subscribe
14 a 2002 U.S. Individual Income Tax Return, Form 1040, which was
15 verified by a written declaration that it was made under the penalties
16 of perjury and was filed with the Internal Revenue Service, which
17 return defendant FRY did not believe to be true and correct as to
18 every material matter, in that said return falsely stated on line 22
19 that defendant FRY's total income was \$39,720, whereas as defendant
20 FRY well knew and believed, his total income was substantially higher
21 than \$39,720.

22 All in violation of Title 26, United States Code, Section 7206(1).

23 **STRUCTURING FINANCIAL TRANSACTIONS**

24 (Counts 43 - 64)

25 On or about the dates set forth below, within the Southern
26 District of California, defendant WILLIAM R. FRY did knowingly and
27 willfully, and for the purpose of evading the reporting requirements
28 of section 5313(a) of Title 31, United State Code, and the regulations

1 promulgated thereunder, structure and assist in structuring, and
 2 attempt to structure and assist in structuring, the financial
 3 transactions set forth below with the domestic financial institution
 4 set forth below, and did so as part of a pattern of illegal activity
 5 involving more than \$100,000 in a 12-month period:

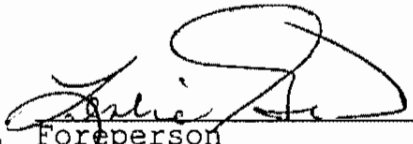
Count	Date	Transaction	Financial Institution
43	8/4/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
44	8/5/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
45	8/6/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
46	8/11/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
47	8/12/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
48	8/25/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
49	8/26/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
50	9/1/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
51	9/2/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
52	9/8/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
53	9/9/99	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
54	3/23/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
55	3/24/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
56	5/2/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735530
57	5/2/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735530

Count	Date	Transaction	Financial Institution
58	5/19/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735530
59	5/19/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735530
60	6/21/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
61	6/21/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
62	9/12/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
63	9/13/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548
64	9/14/00	\$9,900 cash withdrawal	Wells Fargo Bank Account #0828735548

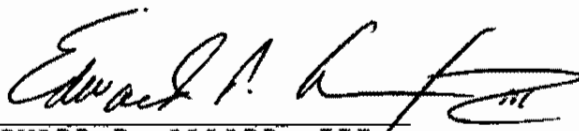
All in violation of Title 31, United States Code, Sections 5324(a)(3) and 5324(d), Title 31 Code of Federal Regulations, Section 103.11, and Title 18, United States Code, Section 2.

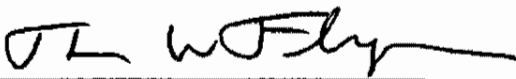
DATED: May 11, 2004.

A TRUE BILL:


Dep. Foreperson

CAROL C. LAM
United States Attorney

By: 
EDWARD P. ALLARD, III
Assistant U.S. Attorney


THOMAS W. FLYNN
Assistant U.S. Attorney