

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW MEXICO**

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	CRIMINAL NO. _____
	)	
vs.	)	18 U.S.C. § 1341: Mail Fraud; 18 U.S.C.
	)	§ 1343: Wire Fraud; 18 U.S.C. § 1346:
<b>JOSEPH RUIZ,</b>	)	Deprivation of Honest Services; 18
	)	U.S.C. § 1951: Hobbs Act; 18 U.S.C.
Defendant.	)	§ 666: Corrupt Solicitation by Agent of
	)	Organization; 18 U.S.C. § 2: Aiding and
	)	Abetting.

**INDICTMENT**

The Grand Jury charges:

**INTRODUCTION**

1. From on or about July 2002 continuing through on or about January 2005, in Santa Fe County and elsewhere within the District of New Mexico, the defendant, **JOSEPH RUIZ**, and others known and unknown to the grand jury, devised a scheme and artifice to defraud, and for obtaining money and property by means of fraudulent representations and false pretenses, and to defraud the State of New Mexico and the People of the State of New Mexico of their right to have their business and their affairs conducted honestly and impartially, by knowingly diverting money that should have gone to the State of New Mexico to various organizations and individuals, in violation of Title 18, United States Code, Sections 1341, 1346 and 2.

## **PERSONS, ENTITIES, AND DEFINITIONS**

2. The New Mexico Public Regulation Commission (“PRC”) is a state agency that regulates the utilities, telecommunications, motor carriers and insurance industries that do business in the state of New Mexico. The PRC also has responsibility for the State Fire Marshal's Office, the Firefighter Training Academy, Pipeline Safety and the registration of all corporations doing business in New Mexico. For all times relevant to this indictment, the PRC received annual benefits in excess of \$10,000 under a Federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of Federal assistance.

3. The Insurance Division (“ID”) of the PRC is the division of the PRC that regulates the insurance industry.

4. The Superintendent of Insurance is elected by the Public Regulation Commissioners and is the head of the ID. For all times relevant to this indictment, Eric Serna served as the Superintendent of Insurance.

5. The Deputy Superintendent of Insurance assists in the regulation of the insurance industry and reports directly to the Superintendent of Insurance. For all times relevant to this indictment, the Defendant, **JOSEPH RUIZ**, acted as a Deputy Superintendent of the Insurance Division.

6. An Insurance Adjuster is an agent of an insurance company who evaluates claims made by those insured and assesses those claims to determine the amount of money that should be paid in connection with the claims.

7. The New Mexico general fund is a pool of money that the State of New Mexico collects from various sources. The general fund serves as the primary source of revenue New

Mexico uses to pay for its various operations and programs. Sources of revenue for the New Mexico general fund include fines collected from insurance companies.

8. A Market Conduct Examination (“MCE”), for all times relevant to this indictment, is an audit of an insurance company’s practices and business. The Superintendent of Insurance is the authority that orders a MCE. The cost of a MCE is paid by the company being examined.

9. A "501(c)(3) charity" is an organization that is tax exempt, as set forth in Internal Revenue Code section 501(c)(3). These charities, which must be non-profit, are eligible to receive tax deductible contributions.

10. The Con Alma Health Foundation (“Con Alma”) is a private, non-profit, 501(c)(3) charity that makes contributions and grants to communities and organizations that Con Alma determines have health-related needs. For all times relevant to this indictment, Eric Serna served as the president of Con Alma.

11. Southwestern Arts Institute (“SAI”) is a private, non-profit, 501(c)(3) charity which originally began as a children’s choir. At all times relevant to this indictment, SAI consisted of one individual. After being inactive for many years, this charity’s primary activity involved receiving donations that went toward the purchase of bilingual books for children. Almost all of the books purchased through money donated to SAI were written by the Defendant, **JOSEPH RUIZ**.

12. The National Association of Insurance Commissioners (“NAIC”) is the organization of insurance regulators from the 50 states, the District of Columbia and the five U.S. territories. As one of its functions, the NAIC maintains records of disciplinary actions, such

as

finances or administrative penalties, assessed against insurance companies. These records are available to all NAIC members.

### **THE SCHEME**

13. From on or about July 2002, continuing through on or about January 2005, **JOSEPH RUIZ**, acting as Deputy to the Superintendent of the Insurance Division, advised various insurance companies doing business in the State of New Mexico that they faced large fines for allegedly violating provisions of the New Mexico Insurance Code related to the licensing and registration of individuals and companies. **RUIZ** would solicit payments to individuals or private organizations in exchange for recommending a reduced fine, or no fine, to the Superintendent of Insurance.

14. Most commonly, **RUIZ** alleged that an insurance company used adjusters not licensed in New Mexico to process New Mexico insurance claims. On occasion, **RUIZ** would also allege that a company itself was not properly licensed or registered in New Mexico. **RUIZ** would typically initiate his contact with an insurance company by informing the company that he believed either the company or some of its employees were not properly licensed or registered in New Mexico. **RUIZ** would then typically request the company to determine all instances in which the company or its employees operated without a license. For instance, **RUIZ** would at times ask a company to provide him with the names of all insurance adjusters not licensed in New Mexico who processed claims in New Mexico and, further, to provide a list of all claims they each had processed. After receiving the information he requested, **RUIZ** would usually then advise the company that it faced a large potential maximum fine and that a representative

should contact him to discuss the matter. During the ensuing discussion, **RUIZ** would typically inform

the insurance company that he would reduce or eliminate the fine it would have to pay if the company would agree to pay money to a private person or organization that **RUIZ** designated.

The organizations **RUIZ** designated were Con Alma and/or SAI.

15. As part of his scheme to defraud, **RUIZ** acted under the false pretense that he was carrying out his duties as a public official, which included collecting fines that should have become part of the New Mexico general fund, when, in fact, he negotiated to divert money that should have gone to the New Mexico general fund to persons and organizations in which he and his supervisor had a personal interest. In acting under these fraudulent pretenses, **RUIZ** deprived the people of New Mexico, and those outside of New Mexico who dealt with the Insurance Division, of the intangible right of honest services.

16. As a part of his scheme to defraud, **RUIZ** would fraudulently represent to companies from which he requested payments that it was permissible for the companies to make payments to the persons or organizations **RUIZ** named instead of paying a fine to the State of New Mexico.

#### **Progressive Casualty Insurance Company**

17. In July of 2002, Progressive Casualty Insurance Company (“Progressive”) provided motor vehicle insurance for a person who was in an automobile accident with a member of the New Mexico Senate. Progressive and this Senator had a disagreement over the amount of money Progressive should pay on an insurance claim the Senator made after having been involved in an automobile accident. **RUIZ** became involved in the negotiations between

Progressive and the Senator.

18. As part of his scheme, **RUIZ** used pressure derived from the power of his public office and the public office of others. During a telephone call with **RUIZ** on July 22, 2002, a representative of Progressive informed **RUIZ** that he had been advised that the Senator had referenced the Senator's position when filing his claim. The representative expressed concern about the politicization of this case. **RUIZ**'s response to this concern was to tell the Progressive representative that it looked like he was understanding how politics works in New Mexico. **RUIZ** then further advised the Progressive representative that the Senator was a powerful man.

19. After an unsuccessful settlement meeting on July 23, 2002, **RUIZ** reminded the Progressive representative that the Senator was a powerful man who had the ability to negatively affect insurance companies. He further noted that the Senator could request a market conduct examination of Progressive, and requested that Progressive reconsider its position. The Progressive representative informed **RUIZ** that he would not treat this claim differently than others as a result of the Senator's position and, further, that he was now considering involving the press in this matter.

20. The next day, on July 24, 2002, **RUIZ** signed a letter that he caused to be mailed to the Progressive representative in which he stated that, "as a routine practice," he checks to see if "folks from insurance companies are properly licensed to conduct business in the state," and noted that companies who use adjusters not licensed in New Mexico to settle claims are subject to fines. He further requested Progressive to provide a list of all adjusters who handle claims in New Mexico, and to provide a list of all claims handled by any adjusters not licensed in New

Mexico. This letter is typical of the letters **RUIZ** sent to insurance companies as part of his scheme.

21. In a meeting on August 29, 2002, **RUIZ** conveyed to the Progressive representative that, if Progressive settled the Senator's insurance claim for \$10,000, **RUIZ** would not fine Progressive for the instances in which Progressive insurance adjusters not licensed in New Mexico processed New Mexico claims. Further, **RUIZ** indicated that, in exchange for a \$10,000 Progressive settlement payment, he would not pursue a market conduct examination of Progressive.

22. On or about September 2002, the \$10,000 settlement check Progressive issued was negotiated through means of writings, signs, signals, pictures, and sounds that traveled through interstate commerce via wire or radio communication.

23. The Insurance Department did not fine Progressive in connection with this matter.

#### **Foremost Insurance Company**

24. On July 18, 2002, **RUIZ** signed a letter that he caused to be sent to Foremost Insurance Company ("Foremost"). In this letter, he asked for a list of adjusters not licensed in New Mexico who processed claims in New Mexico, as well as a list of the claims they processed.

25. On September 20, 2002, **RUIZ** met with representatives from Foremost. During this meeting, **RUIZ** noted that Foremost faced significant fines for having insurance adjusters not licensed in New Mexico process New Mexico claims. **RUIZ** then proposed what he characterized as a "win-win" solution in which Foremost would contribute to charities supported by the Insurance Division in lieu of being fined. The two charities that **RUIZ** mentioned were

Con Alma and SAI. **RUIZ** explained that this was advantageous to Foremost because it allowed Foremost the benefit of a charitable deduction and an opportunity for good publicity. Further, **RUIZ** explained, as long as Foremost agreed to license in New Mexico all of its adjusters who handled New Mexico claims, the Insurance Division would close its file and there would be no fine reported to the National Association of Insurance Commissioners. **RUIZ** further advised that Foremost should not be concerned about resolving their potential fines in this matter, as the Insurance Division had already presented this issue to the New Mexico Attorney General's Office. In truth, the Insurance Division had not presented this issue to the New Mexico Attorney General's Office.

26. On October 1, 2002, **RUIZ** signed a letter that he caused to be sent via facsimile transmission to a Foremost representative. In this letter, he advised the company that it faced a \$247,000 fine and that he would like to give the company an opportunity to respond with comments before he recommended a fine.

27. Foremost refused to pay money to the charities in lieu of paying a fine and on December 30, 2002, entered a stipulated order requiring it to pay a \$50,000 administrative penalty, \$25,000 of which was suspended.

### **Hartford Fire Insurance Company and Related Companies**

28. On or about October 1, 2002, **RUIZ** signed a letter that he caused to be sent via facsimile transmission to Hartford Fire Insurance Company and related companies ("Hartford"). In this letter, he advised the company that it faced a \$120,000 fine in connection with using adjusters not licensed in New Mexico to process New Mexico insurance claims. He further advised that he would like to give the company an opportunity to respond with comments before

he recommended a fine.

29. In a discussion with a Hartford representative about this potential fine, **RUIZ** mentioned that he knew of a local New Mexico charity that he worked with and asked if Hartford ever contributed money to a charity.

30. Hartford and **RUIZ** were eventually able to agree that Hartford would pay a \$10,000 fine for licensing violations.

31. On or about November 12, 2002, **RUIZ** left a voice mail message for a representative of Hartford. In this voice mail, **RUIZ** stated that if Hartford were willing to donate to a 501(c)(3) charity that **RUIZ** would lower the amount of the fine he would require Hartford to pay. For example, **RUIZ** stated, if the fine was going to be \$10,000, he would give Hartford the option of paying \$3,000 to a charity and then paying a reduced fine of \$5,000.

32. Hartford refused to pay to a charity **RUIZ** designated in lieu of paying a fine and, on or about December 9, 2002, entered a stipulated order that required it to pay a \$10,000 administrative penalty.

33. On or about December 23, 2002, Hartford mailed a check in the amount of \$10,000 to the New Mexico Public Regulation Insurance Division.

#### **AON Home Warranty Services/The Warranty Group**

34. On or about May 12, 2003, **RUIZ** caused a letter (signed by **RUIZ** and dated April 9, 2003) to be sent via facsimile transmission to AON Home Warranty Services/The Warranty Group (“AON/Warranty Group”). In this letter, he advised the company that it faced

penalties for operating without a license and requested AON/Warranty Group to provide a complete list of agreements sold since July 1, 2002.

35. On or about May 19, 2003, Defendant signed a letter that he caused to be sent via facsimile transmission to AON/Warranty Group. In this letter, he advised that AON/Warranty Group faced a potential \$100,000 fine for selling contracts without a license, as well as an additional fine for not responding to his April 9, 2003 letter in a timely manner. The letter further offered AON/Warranty Group an opportunity to discuss the fine before **RUIZ** turned the matter over to the Superintendent of Insurance.

36. On or about July 17, 2003, **RUIZ** met with a representative of AON/Warranty Group in which the two discussed a resolution to the \$100,000 fine AON/Warranty Group faced. During this meeting, **RUIZ** mentioned that other insurers who had been alleged to be in violation of New Mexico laws had been able to make a donation to one of two charities rather than pay the administrative penalty they faced. The two charities that **RUIZ** mentioned were Con Alma and SAI. When the representative did not respond positively to the idea of making a charitable donation in lieu of paying a fine, the two agreed that AON/Warranty Group would pay a \$25,000 fine.

37. On September 4, 2003, AON/Warranty Group entered into a stipulated order in which they agreed to a \$100,000 fine, \$75,000 of which would be suspended.

### **Ohio Casualty Group**

38. On August 29, 2003, **RUIZ** signed a letter that he caused to be sent via facsimile transmission to the Ohio Casualty Group. In this letter, he asked for a list of adjusters not

licensed in New Mexico who processed claims in New Mexico, as well as a list of the claims they processed.

39. In a September 19, 2003 e-mail to a representative of Ohio Casualty Group, **RUIZ** advised the company that it faced a fine in the area of \$400,000. He further asked for a representative to give him a call so that they could discuss alternatives to the fine.

40. During a meeting with an Ohio Casualty Group representative later in the month, **RUIZ** advised that he would give Ohio Casualty Group the option of paying \$30,000 to Con Alma and \$5,000 to SAI instead of paying a fine.

41. Ohio Casualty Group refused to pay money to Con Alma or SAI in lieu of paying a fine. Instead, the company negotiated for a \$25,000 fine along with a \$15,000 suspended penalty that was recorded in a stipulated order as a disciplinary action against the Ohio Casualty Group.

#### **Central Mutual Insurance Company**

42. On July 24, 2002, **RUIZ** signed a letter that he caused to be sent to Central Mutual Insurance Company (“Central Insurance”). In this letter, he asked for a list of adjusters not licensed in New Mexico who processed claims in New Mexico, as well as a list of the claims they processed.

43. On November 13, 2002, **RUIZ** signed a letter (dated October 1, 2002) that he caused to be sent via facsimile transmission to a Central Insurance representative. In this letter, he advised the company that it faced a \$109,500 fine and that he would like to give the company an opportunity to respond with comments before he recommended a fine.

44. Subsequently, between November 13, 2002 and November 19, 2002, **RUIZ** informed a Central Insurance representative that it could pay a smaller amount than the \$109,500 maximum fine to a charity. **RUIZ** later told the representative that he would like the payment to go to SAI.

45. Central Insurance decided that it wanted to donate to a different charity than SAI. When a Central Insurance representative informed **RUIZ** of this, **RUIZ** became upset. Although the Central Insurance representative informed **RUIZ** that it would go ahead and donate to SAI, Central Insurance ultimately resolved the matter by paying a \$3,000 administrative penalty (with a check dated December 2, 2002).

**Crawford & Company Risk Sciences Group, Inc.**

46. On October 15, 2002, **RUIZ** signed a letter that he caused to be sent via facsimile transmission to Crawford & Company Risk Sciences Group, Inc. ("Crawford"). In this letter, he advised the company that it faced a \$117,000 fine and that he would like to give the company an opportunity to respond with comments before he recommended a fine.

47. On October 24, 2002, **RUIZ** told a Crawford representative that he would allow Crawford to make a donation to a 501(c)(3) corporation in lieu of paying a fine. **RUIZ** mentioned three charities, one of which described Con Alma and another of which described SAI. **RUIZ** ultimately told the representative to donate to Con Alma and to designate the money for use of a videotape.

48. On October 31, 2002, **RUIZ** left a voice mail for a Crawford representative in which he provided the address for Con Alma and requested that Crawford keep "this" to

themselves because, **RUIZ** falsely claimed, he had not been letting anyone else do this.

49. On November 15, 2002, Crawford sent a check for \$30,000 to Con Alma.

50. On November 19, 2002, **RUIZ** signed a letter that he caused to be sent via facsimile transmission to Crawford. In this letter, **RUIZ** represented that, because of actions Crawford took to correct the unlicensed adjuster issue and the claims issue, the matter was closed and Crawford was back in good standing. As **RUIZ** full well knew, however, a primary reason Crawford was not fined was because it agreed to pay \$30,000 to Con Alma in lieu of a fine.

#### **ACE American Insurance Company/ESIS**

51. On December 12, 2002, **RUIZ** signed a letter that he caused to be sent via facsimile transmission to ACE American Insurance Company/ESIS (“ACE/ESIS”). In this letter, he asked for a list of adjusters not licensed in New Mexico who processed claims in New Mexico, as well as a list of the claims they processed.

52. On January 17, 2003, **RUIZ** sent an e-mail to a representative for ACE/ESIS in which he advised the company that it faced a maximum \$22,500 fine. **RUIZ** then gave ACE/ESIS the option of “enter[ing] into a Stipulated Settlement agreeing to \$2250 (10%) or having your company make a \$2,000 contribution to a 501 (C) 3 organization in New Mexico.” **RUIZ** then noted that while he could only recommend this settlement to the Superintendent, the Superintendent had only rejected one of the last forty recommendations **RUIZ** had made.

53. ACE/ESIS responded to this e-mail the same day, telling **RUIZ** that it was “interested in the 501 (c) (3) contribution” and asked **RUIZ** to “outline this process and exactly

what would be required.”

54. Also on January 17, 2003, **RUIZ** responded by telling ACE/ESIS that the “contribution-donation has to be voluntary” but that if ACE/ESIS chose to follow this route “we will recommend a worthy organization or cause.”

55. After receiving an e-mail from ACE/ESIS informing **RUIZ** that ACE/ESIS had chosen the option of “making a voluntary \$2000 501 (c) contribution” **RUIZ** responded in a January 21, 2003, e-mail that ACE/ESIS should send the check to SAI for the purchase of “Manuel and the Magic Ring.” **RUIZ** did not disclose that he was the author of “Manuel and the Magic Ring.”

56. On January 31, 2003, ACE/ESIS mailed a \$2,000 check to SAI to go toward the purchase of copies of “Manuel and the Magic Ring” and asked SAI to verify the amount of their donation that would be tax deductible.

57. ACE/ESIS was not fined and, on February 3, 2003, **RUIZ** sent a letter to ACE/ESIS advising that “the actions taken by ESIS to resolve the issues outlined in my December 12, 2002 letter have been completed and is back in good standing.”

### **The Horace Mann Companies**

58. Sometime between August 8, 2003 and September 2, 2003, **RUIZ** had a conversation with a representative of The Horace Mann Companies (“Horace Mann”) in which he told the representative that Horace Mann faced a significant fine for using adjusters not licensed in New Mexico to process New Mexico insurance claims. During this conversation, **RUIZ** advised that, rather than paying a large fine, Horace Mann could pay a lesser amount of money to a charity. After the representative advised **RUIZ** that Horace Mann could only make

contributions to education-related charities, **RUIZ** told the representative that Horace Mann could pay \$20,000 to SAI for the purchase of bilingual books. **RUIZ** did not disclose the fact that he authored these books.

59. **RUIZ** had a representative of SAI send Horace Mann a letter dated September 2, 2003, which requested a donation from Horace Mann.

60. On October 3, 2003, Horace Mann mailed a check in the amount of \$20,000 to SAI. Horace Mann did not pay a fine to the State of New Mexico.

61. **RUIZ** signed a letter dated October 6, 2003, that was sent to Horace Mann and which advised that “the actions taken by your company this month places you back in full compliance.”

**Heritage Warranty Insurance RRG, Inc.**

62. On or about January 15, 2004, **RUIZ** signed a letter (dated January 9, 2004) that he caused to be sent via facsimile transmission to Heritage Warranty Insurance RRG, Inc., (“Heritage”). In this letter, he noted that Heritage had sold a total of 677 service contracts in New Mexico, and that it only takes 20 contracts to justify the maximum of a \$100,000 fine. **RUIZ** informed Heritage that, given “the magnitude of the situation” he was unable to recommend no fine. He further requested that a representative of Heritage call him to “discuss the above matter or see if we have any other alternatives to bring this matter to closure.”

63. In a subsequent conversation sometime prior to February 3, 2004, **RUIZ** told a Heritage representative that in lieu of a fine, Heritage could donate \$15,000 to Con Alma and \$5,000 to SAI. **RUIZ** further told the representative that these payments would allow Heritage

to avoid being officially censured and that no note of this violation would be on their record with the State of New Mexico.

64. On February 3, 2004, Heritage mailed a check in the amount of \$5,000 to SAI.

65. On February 6, 2004, Heritage mailed a check in the amount of \$15,000 to “Con Alma.”

66. Heritage did not pay a fine to the State of New Mexico.

**Cunningham Lindsey US, Inc.**

67. In late December 2004 or early January 2005, **RUIZ** met with a representative from Cunningham Lindsey US, Inc. (“Cunningham Lindsey”). **RUIZ** informed this representative about the maximum fine possible for each insurance adjuster not licensed in New Mexico who processed claims in New Mexico, and the maximum fine for each claim processed by one of these adjusters. This information conveyed to the representative that the total maximum fine faced by Cunningham Lindsey was in excess of \$100,000. **RUIZ** then told the representative that if Cunningham Lindsey would pay money to a couple of charities that he would make the fines they faced go away. The two charities **RUIZ** mentioned were Con Alma and SAI.

68. On or about January 14, 2005, Cunningham Lindsey mailed a \$15,000 check to Con Alma.

69. On or about January 20, 2005, Cunningham Lindsey mailed a \$15,000 check to SAI.

70. The Insurance Division did not fine Cunningham Lindsey in connection with this

matter.

**Counts 1-2 (Mail Fraud)**

71. Paragraphs 1 through 75 are re-alleged in Counts 1 through 2 as though fully set forth therein.

72. From on or about July 2002 continuing through on or about January 2005, in the District of New Mexico, **JOSEPH RUIZ**, and others known and unknown to the grand jury, devised a scheme and artifice to defraud and for obtaining money and property by means of fraudulent representations and false pretenses, and to defraud the State of New Mexico and the People of the State of New Mexico of their right to have their business and their affairs conducted honestly and impartially, by knowingly diverting money that should have gone to the New Mexico general fund to various organizations and individuals, all of which was done in violation of Title 18, United States Code, Sections 1341, 1346 and 2.

73. For the purpose of executing the above-described scheme and artifice, on or about the dates set forth below, in the District of New Mexico, **JOSEPH RUIZ** caused the following documents to be mailed, delivered and received either from the United States Postal Service or some other private or commercial interstate carrier:

<b>Count</b>	<b>Description of Mailing</b>
1	\$5,000 check Heritage mailed to SAI on or about February 3, 2004.
2	\$15,000 check Cunningham Lindsey mailed to SAI on or about January 20, 2005.

All in violation of Title 18, United States Code, Sections 1341, 1346 and 2.

**Counts 3-13 (Wire Fraud)**

74. Paragraphs 1 through 75 are re-alleged in Counts 3 through 13 as though fully set

forth therein.

75. From on or about July 2002 continuing through on or about January 2005, in the District of New Mexico, defendant **JOSEPH RUIZ**, and others known and unknown to the grand jury, devised a scheme and artifice to defraud and for obtaining money and property by means of fraudulent representations and false pretenses, and to defraud the State of New Mexico and the People of the State of New Mexico of their right to have their business and their affairs conducted honestly and impartially, by knowingly diverting money that should have gone to the New Mexico general fund to various organizations and individuals, in violation of Title 18, United States Code, Sections 1343, 1346 and 2.

76. For the purpose of executing such a scheme and artifice, on or about the dates set forth below, in the District of New Mexico, **JOSEPH RUIZ** did transmit and cause to be transmitted in interstate and foreign commerce by means of a wire communication certain signs, signals and sounds described below:

Count	Description of wire communication
3	Wire or radio transmission that traveled through interstate commerce on or about September 2002, in connection with the negotiation of the \$10,000 settlement check Progressive issued.
4	Letter signed by <b>RUIZ</b> and addressed to Foremost sent by facsimile transmission on or about October 1, 2002, and that originated in New Mexico and was received in Michigan. This letter advised Foremost that it faced a \$247,000 fine.
5	Telephone call on or about November 12, 2002, from <b>RUIZ</b> to representative of Hartford in which <b>RUIZ</b> left a message offering to reduce fine Hartford would have to pay in exchange for Hartford donating to a charity. This telephone call was placed outside of Connecticut and was received within Connecticut.

6	Letter signed by <b>RUIZ</b> and addressed to AON/Warranty Group sent by facsimile transmission on or about May 19, 2003, and that originated in New Mexico and was received in Illinois. This letter advised AON/Warranty Group that it faced a fine of at least \$100,000.
<b>Count</b>	<b>Description of wire communication</b>
7	Letter signed by <b>RUIZ</b> and addressed to Ohio Casualty Company sent by facsimile transmission on or about August 29, 2003, and that originated in New Mexico and was received in Colorado. This letter advised Ohio Casualty Company that it faced fines in connection with using an insurance adjuster not licensed in New Mexico and requested Ohio Casualty Company to provide information.
8	September 19, 2003 e-mail from <b>RUIZ</b> , that originated in New Mexico, to a representative of Ohio Casualty Group, that was received in Colorado. This e-mail advised Ohio Casualty Group that it faced a fine in the area of \$400,000 and that a representative should call <b>RUIZ</b> to discuss alternatives.
9	Letter dated October 1, 2002, signed by <b>RUIZ</b> and addressed to Central Insurance sent by facsimile transmission on or about November 13, 2002, and that originated in New Mexico and was received in Texas. This letter advised Central Insurance that it faced a \$109,500 fine.
10	Letter signed by <b>RUIZ</b> and addressed to Crawford sent by facsimile transmission on or about October 15, 2002, and that originated in New Mexico and was received in Georgia. This letter advised Crawford that it faced a \$117,000 fine.
11	Letter from <b>RUIZ</b> and addressed to Crawford sent by facsimile transmission on or about November 19, 2002, and that originated in New Mexico and was received in Georgia.
12	January 17, 2003 e-mail from <b>RUIZ</b> , that originated in New Mexico, to a representative of ACE/ESIS, that was received in Delaware. This e-mail advised ACE/ESIS that it faced a maximum fine of \$22,500.
13	Letter dated September 2, 2003, from SAI to Horace Mann requesting a donation for the purchase of bilingual books. This letter was sent by facsimile transmission from New Mexico and was received in Illinois.

All in violation of Title 18, United States Code, Sections 1343, 1346 and 2.

**Counts 14-20 (Corrupt Solicitation by Agent of Organization)**

77. Paragraphs 1 through 75 are re-alleged in Counts 14 through 20 as though fully

set forth therein.

78. On or about the dates set forth below, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and corruptly solicit, demand, accept, and agree to accept something of value intending to be influenced or rewarded in connection with a business, transaction, or series of transactions of the Insurance Division section of the Public Regulation Commission, involving something of value of \$5,000 or more, described more specifically as follows:

Count	On or About Date	Description of solicitation, demand, acceptance or agreement
14	8/29/02	<b>RUIZ</b> solicitation for \$10,000 insurance settlement claim from Progressive Insurance Company for the benefit of another person in exchange for not pursuing action against Progressive Insurance Company for allegedly using insurance adjusters not licensed in New Mexico to process claims.
15	9/20/02	<b>RUIZ</b> solicitation of Foremost to pay \$5,000 or greater to a charity <b>RUIZ</b> designated as opposed to facing a significant fine that would be paid to the State of New Mexico.
16	9/26/03	<b>RUIZ</b> solicitation for \$5,000 or greater payment to Con Alma and \$5,000 or greater payment to SAI from Ohio Casualty Group in lieu of facing a maximum fine in the area of \$400,000 that would be paid to the State of New Mexico.
17	10/24/02	<b>RUIZ</b> solicitation of Crawford to pay \$5,000 or greater to a charity in lieu of paying a fine to the State of New Mexico.
18	Between 8/8/03 and 9/2/03	<b>RUIZ</b> solicitation of Horace Mann to pay \$5,000 or greater to SAI in lieu of paying a fine to the State of New Mexico.

19	Between 1/9/04 and 1/27/04	<b>RUIZ</b> solicitation of Heritage to pay \$5,000 or greater to SAI and \$5,000 or greater to Con Alma in lieu of paying a fine to the State of New Mexico.
<b>Count</b>	<b>On or About Date</b>	<b>Description of solicitation, demand, acceptance or agreement</b>
20	Between 1/3/05 and 1/13/05	<b>RUIZ</b> solicitation of Cunningham Lindsey to pay \$5,000 or greater to SAI and \$5,000 or greater to Con Alma in lieu of paying a fine that would be paid to the State of New Mexico.

All in violation of Title 18, United States Code, Sections 666 and 2.

#### **Hobbs Act Counts**

79. Paragraphs one 1 through 75 are re-alleged in Counts 21 through 31 as though fully set forth herein.

#### **Count 21 (Hobbs Act)**

80. Between on or about July 22, 2002 and September 2002, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** attempted to cause, and did cause, Progressive to provide money and property to another person, with Progressive's consent, induced by wrongful use and threat of use of economic harm and under color of official right, in connection with the settlement of an insurance claim.

All in violation of Title 18, United States Code, Sections 1951 and 2.

#### **Count 22 (Hobbs Act)**

81. Between on or about July 18, 2002 and December 30, 2002, in the District of

New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** attempted to cause Foremost to provide money and property to charities he designated, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines Foremost faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 23 (Hobbs Act)**

82. Between on or about January 2002 through December 2002, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** attempted to cause Hartford to provide money and property to a charity he designated, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines Hartford faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 24 (Hobbs Act)**

83. Between on or about April 9, 2003 and September 4, 2003, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** attempted to cause AON/Warranty Group to provide money and property to charities he designated, induced by wrongful use and threat of

use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines AON/Warranty Group faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 25 (Hobbs Act)**

84. Between on or about August 29, 2003 and December 14, 2003, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** attempted to cause Ohio Casualty Group to provide money and property to Con Alma, with Ohio Casualty Group's consent, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines Ohio Casualty Group faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 26 (Hobbs Act)**

85. Between on or about July 24, 2002 and December 2, 2002, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** attempted to cause Central Insurance to provide money and property to charities he designated, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with

respect to potential fines Central Insurance faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 27 (Hobbs Act)**

86. Between on or about October 15, 2002 through November 15, 2002, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** caused Crawford to provide money and property to a charity he designated, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines Crawford faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 28 (Hobbs Act)**

87. Between on or about December 12, 2002 and January 31, 2003, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** caused ACE/ESIS to provide money and property to a charity he designated, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines ACE/ESIS faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 29 (Hobbs Act)**

88. Between on or about August 2003 through October 3, 2003, in the District of

New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** caused Horace Mann to provide money and property to a charity he designated, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines Horace Mann faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 30 (Hobbs Act)**

89. Between on or about January 15, 2004 through February 3, 2004, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** caused Heritage to provide money and property to charities he designated, induced by wrongful use and threat of use of economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines Heritage faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

**Count 31 (Hobbs Act)**

90. Between on or about December 2004 and January 20, 2005, in the District of New Mexico, the defendant, **JOSEPH RUIZ**, did knowingly and unlawfully affect and attempt to affect interstate commerce and the movement of articles and commodities in interstate commerce by extortion. Specifically, defendant **JOSEPH RUIZ** caused Cunningham Lindsey to provide money and property to charities he designated, induced by wrongful use and threat of use of

economic harm and under color of official right, in exchange for favorable treatment with respect to potential fines Cunningham Lindsey faced.

All in violation of Title 18, United States Code, Sections 1951 and 2.

A TRUE BILL:

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FOREPERSON OF THE GRAND JURY

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LARRY GOMEZ  
Acting United States Attorney  
August 20, 2007 (5:15pm)