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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA, Plaintiff, v. G.B. ENTERPRISES, INC. Defendant.	NO. CR04 0172C INFORMATION

The United States Attorney charges that:

On or about September 15, 1997, at Bellingham, within the Western District of Washington, defendant G.B. ENTERPRISES, INC. ("GBE"), did willfully make and subscribe a false and fraudulent U.S. Corporate Income Tax Return (Form 1120) for GBE, for the calendar year 1996 (the "Return"). The Return was verified by a written declaration that it was made under the penalties of perjury and the Return was filed with the Internal Revenue Service. At the times of making and subscribing, verifying and filing the Return, GBE knew that the Return was false and fraudulent as to a material matter in that GBE reported sales commissions of $9,577,418, which was a figure that improperly included in excess of $5,000,000 of "residual commissions" that did not represent ordinary and necessary business expenses and were not used to pay independent sale representatives, but instead were transferred to accounts maintained by Alpha Technologies GRC, Ltd., a Cayman Islands corporation and to Alphatec, Ltd., a Cypriot corporation. In truth, GBE knew and believed that deductions claimed for

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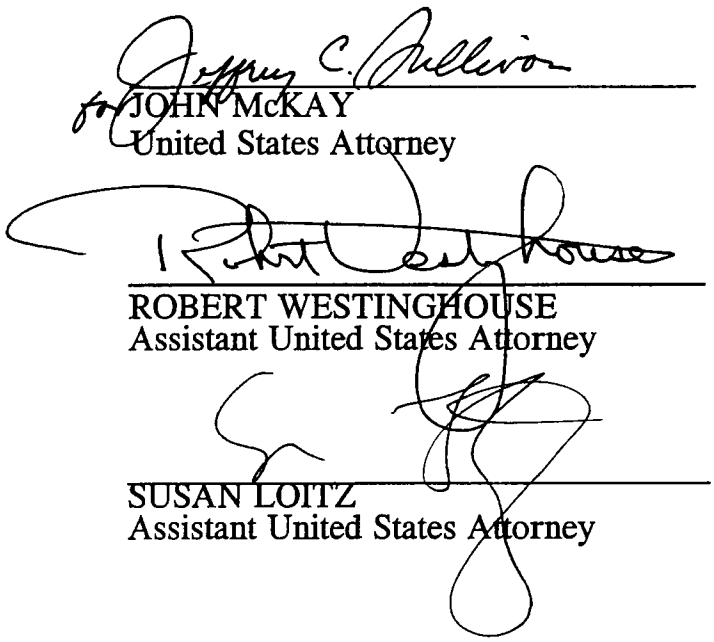
business expenses were inflated by the amount of these residual commissions, thereby causing the taxes due and owing by GBE for the calendar year 1996 to be under reported by a sum in excess of $1,721,000.

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

DATED this 12th day of April, 2004.



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