

ORIGINAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BY _____
CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

2010 JUL -7 PM 1:26

FILED

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

CR 10 00731

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
UNIVISION SERVICES, INC.,)
)
Defendant.)

CR 10)
)
I N F O R M A T I O N
[18 U.S.C. § 371: Conspiracy]

The United States Attorney charges:

[18 U.S.C. § 371]

INTRODUCTORY ALLEGATIONS

DEFENDANT UNIVISION SERVICES, INC.

1. Defendant UNIVISION SERVICES, INC. ("defendant UNIVISION") is a Delaware corporation with its principal place of business in Los Angeles, California. Defendant UNIVISION is a wholly-owned subsidiary of Univision Communications Inc. ("UCI").

2. Defendant UNIVISION is in the business of addressing certain obligations arising from UCI's sale of all interests in

RAW
TRR

1 the Latin music recording and publishing businesses conducted
2 under the name Univision Music Group ("UMG") to an unrelated
3 entity. Defendant UNIVISION has assumed the criminal liability
4 of UMG as a consequence of UCI's sale of the UMG businesses to an
5 innocent third party and because none of the UMG employees and
6 other co-conspirators referenced in this Information are
7 presently employed by UCI or its affiliates.

8 3. At all times relevant to this Information:

9 UNIVISION MUSIC GROUP

10 a. UMG maintained its principal place of business in
11 Los Angeles, California.

12 b. Co-Conspirators 1 through 4 were high level UMG
13 executives whose duties included managing and directing UMG
14 employees in the promotion of UMG's records.

15 c. Co-Conspirators 5 and 6 were mid level UMG
16 employees whose duties included promoting UMG's records. Co-
17 conspirator 5 maintained a personal bank account at Bank of
18 America, bearing account number xxxxx-xx492 ("BoA Account").

19 d. Co-conspirator 7 was an independent record
20 promoter who contracted with UMG to promote UMG's records.

21 e. Co-Conspirator 8 was a program manager of a radio
22 station in Northern California.

23 RADIO STATION PROGRAM MANAGERS AND DISCLOSURE OBLIGATIONS

24 f. Radio station program managers ("program
25 managers") were employees of radio stations whose duties
26 included, among other things, making programming decisions
27 affecting the selection for on-air broadcast of music program
28 material, consistent with the interests of their employer

1 stations.

2 g. The Communications Act of 1934, as amended, 47
3 U.S.C. §§ 317 and 508, and regulations promulgated by the Federal
4 Communications Commission, required that, as a general matter,
5 all matter broadcast by a radio station for which any person has
6 paid or promised to pay any consideration to the station shall,
7 at the same time it is so broadcast, be publicly announced as
8 paid for or furnished, as the case may be, by such person.

9 Program managers were, as a general matter, obligated to disclose
10 to the station any consideration that they have been paid or
11 promised for the broadcast of matter over the station and, to the
12 extent the station received such a report from a program manager
13 in a situation where an announcement would have been required had
14 the consideration been received by the station, the station was
15 required to make an appropriate public announcement.

16 OBJECT OF THE CONSPIRACY

17 4. Beginning in or about 2002, and continuing through in
18 or about September 2006, in Los Angeles County, within the
19 Central District of California, and elsewhere, UMG, to which
20 defendant UNIVISION is the successor in interest with respect to
21 criminal liability, together with others known and unknown to the
22 United States Attorney, knowingly combined, conspired, and agreed
23 to commit the following offense against the United States: To use
24 commercial interstate carriers to execute a scheme to defraud
25 radio stations as to material matters and to obtain money and
26 property from radio stations by means of material false and
27 fraudulent pretenses, representations, and promises, and the
28 concealment of material facts, in violation of Title 18, United

1 State Code, Section 1341.

2 MANNER AND MEANS OF THE CONSPIRACY

3 5. The objects of the conspiracy were carried out, and to
4 be carried out, in substance, as follows:

5 a. UMG, through its conspiring employees and agents,
6 would pay illegal undisclosed cash consideration to co-
7 conspirator program managers employed at radio stations located
8 throughout the United States, whose primary broadcast format was
9 Latin music. The purpose of these cash payments was to induce
10 the program managers to play or increase the air play of UMG's
11 records, without UMG having to pay the radio stations fees
12 charged for such broadcast of UMG's records that would have had
13 to have been disclosed to the listening public.

14 b. The co-conspirator program managers would conceal
15 from their radio stations the illegal cash consideration that UMG
16 paid them, in violation of their obligations to disclose to their
17 employers consideration paid to them for broadcast of matter over
18 their stations.

19 c. UMG and its co-conspirators would raise
20 off-the-books cash to pay the illegal undisclosed cash
21 consideration to the radio station programmers by having co-
22 conspirator independent record promoters send invoices to UMG for
23 specified dollar amounts for purported promotional activities for
24 particular UMG records. The invoiced promotional services would
25 not be provided and were never intended by UMG or the co-
26 conspirator record promoters to be provided. The amounts of the
27 invoices would include commissions for the co-conspirator record
28 promoters. The fraudulent invoices would be approved for payment

1 by Co-conspirators 1, 2, and 3, on the false pretense that the
2 invoices were for legitimate promotional services. Co-
3 conspirators 1, 2, and 3 would then cause UMG to issue checks to
4 the co-conspirator record promoters for payment of the fraudulent
5 invoices. The UMG checks would typically be sent from UMG in Los
6 Angeles, California, to the co-conspirator record promoters, via
7 a commercial interstate carrier, such as FedEx Corporation
8 ("FedEx").

9 d. Co-conspirators 1, 2, and 3 would tell the co-
10 conspirator record promoters the amounts of cash needed for UMG's
11 payments of illegal undisclosed cash consideration to the co-
12 conspirator program managers. The co-conspirator record
13 promoters would then negotiate the UMG checks to obtain the
14 needed funds (typically tens of thousands of dollars per
15 instance) and provide the proceeds in cash to co-conspirator UMG
16 employees, including Co-conspirators 2, 4, and 6.

17 e. Co-conspirator 7, in particular, would personally
18 deliver to one or more co-conspirator UMG employees the proceeds
19 he had obtained from negotiating UMG checks issued to pay his
20 fraudulent invoices. Co-conspirator 7 would often travel by air,
21 carrying tens of thousands of dollars of cash in his briefcase,
22 to deliver the proceeds to co-conspirator UMG employees in Los
23 Angeles, California. In some instances, Co-conspirator 4 would
24 travel to New York to receive the cash directly from Co-
25 conspirator 7.

26 f. Co-conspirators 2 and 6, in supervising
27 distribution of the illegal undisclosed cash consideration to co-
28 conspirator program managers, would divide the cash into bundles

1 of between \$1,000 to \$10,000, depending upon the program manager
2 to be paid and the importance of his or her radio station to UMG.
3 The cash would then be secretly delivered to those program
4 managers by co-conspirator UMG employees, including
5 Co-conspirators 2 and 5. In some instances, Co-conspirator 7
6 would secretly deliver cash directly to co-conspirator program
7 managers, at the request of co-conspirator UMG employees.

8 g. Some program managers who accepted the illegal
9 undisclosed cash consideration from UMG would instruct the co-
10 conspirator UMG employees to deposit their cash directly into
11 offshore bank accounts that the co-conspirator program managers
12 maintained.

13 OVERT ACTS

14 6. In furtherance of the conspiracy, and to accomplish its
15 object, UMG, together with conspirators known and unknown to the
16 United States Attorney, committed and willfully caused others to
17 commit the following overt acts, among others, in the Central
18 District of California and elsewhere:

19 Overt Act No. 1: On or about February 9, 2006, in Los
20 Angeles, California, Co-conspirator 4 caused a UMG check for
21 \$157,800 to be sent and delivered to Co-conspirator 7 in New
22 York, New York, by FedEx Corporation, a commercial interstate
23 carrier, as payment for a fraudulent invoice, of which
24 approximately \$120,000 was to be returned to UMG in cash to fund
25 UMG's payments of illegal undisclosed cash consideration to
26 various co-conspirator program managers.

27 Overt Act No. 2: On or about March 4, 2006, in and around
28 the El Paso, Texas area, using UMG monies obtained through

1 Co-conspirator 7, Co-conspirator 2 delivered \$3,000 in cash to a
2 co-conspirator program manager.

3 Overt Act No. 3: On or about March 28, 2006, in and around
4 the San Antonio, Texas area, using UMG monies obtained through
5 Co-conspirator 7, Co-conspirator 2 delivered \$4,000 in cash to a
6 co-conspirator program manager.

7 Overt Act No. 4: On or about April 2, 2006, in and around
8 the El Paso, Texas area, using UMG monies obtained through
9 Co-conspirator 7, Co-conspirator 2 delivered \$3,000 in cash to a
10 co-conspirator program manager.

11 Overt Act No. 5: On or about April 5, 2006, in Los Angeles,
12 California, Co-conspirator 2, using UMG monies obtained through
13 Co-conspirator 7, deposited \$10,000 into Co-conspirator 5's BoA
14 Account, to fund UMG's payments of illegal undisclosed cash
15 consideration to co-conspirator program managers.

16 Overt Act No. 6: On or about April 27, 2006, in and around
17 the San Antonio, Texas area, Co-conspirator 2, using UMG monies
18 obtained through Co-conspirator 7, delivered \$4,000 in cash to a
19 co-conspirator program manager.

20 Overt Act No. 7: On or about April 28, 2006, in and around
21 the El Paso, Texas area, Co-conspirator 2, using UMG monies
22 obtained through Co-conspirator 7, delivered \$3,000 in cash to a
23 co-conspirator program manager.

24 Overt Act No. 8: On or about May 11, 2006, in Los Angeles,
25 California, Co-conspirator 2, using UMG monies obtained through
26 Co-conspirator 7, deposited \$10,000 into Co-conspirator 5's BoA
27 Account, to fund UMG's payments of illegal undisclosed cash
28 consideration to co-conspirator program managers.

1 Overt Act No. 9: On or about May 31, 2006, in and around
2 the San Antonio, Texas area, Co-conspirator 2, using UMG monies
3 obtained through Co-conspirator 7, delivered \$4,000 in cash to a
4 co-conspirator program manager.

5 Overt Act No. 10: On or about June 3, 2006, in and around
6 the El Paso, Texas area, Co-conspirator 2, using UMG monies
7 obtained through Co-conspirator 7, delivered \$3,000 in cash to a
8 co-conspirator program manager.

9 Overt Act No. 11: On or about June 16, 2006, in Los Angeles,
10 California, Co-conspirator 2, using UMG monies obtained through
11 Co-conspirator 7, deposited \$10,000 into Co-conspirator 5's BoA
12 Account, to fund UMG's payments of illegal undisclosed cash
13 consideration to co-conspirator program managers.

14 Overt Act No. 12: On or about June 28, 2006, in or around
15 the Sacramento, California area, Co-conspirator 2, using monies
16 obtained through Co-conspirator 7, delivered \$4,000 in cash to
17 Co-conspirator 8.

18 Overt Act No. 13: On or about July 13, 2006, in Los Angeles,
19 California, Co-conspirator 6, using UMG monies obtained through
20 Co-conspirator 7, deposited \$8,000 into Co-conspirator 5's BoA
21 Account, to fund UMG's payments of illegal undisclosed cash
22 consideration to co-conspirator program managers.

23 Overt Act No. 14: On or about August 17, 2006, in Los
24 Angeles, California, Co-conspirator 6, using UMG monies obtained
25 through Co-conspirator 7, deposited \$9,000 into Co-conspirator
26 5's BoA Account, to fund UMG's payments of illegal undisclosed
27 cash consideration to co-conspirator program managers.

28 Overt Act No. 15: On or about September 18, 2006, in Los

1 Angeles, California, Co-conspirator 6, using UMG monies obtained
2 through Co-conspirator 7, deposited \$9,000 into Co-conspirator
3 5's BoA Account, to fund UMG's payments of illegal undisclosed
4 cash consideration to co-conspirator program managers.

5
6 ANDRÉ BIROTTE JR.
United States Attorney

7 


8 CHRISTINE C. EWELL
9 Assistant United States Attorney
Chief, Criminal Division

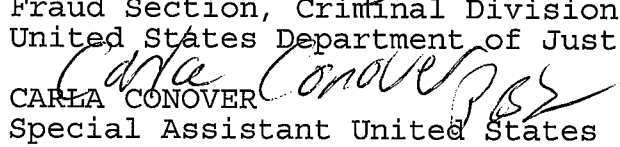
10
11 BEONG-SOO KIM
Assistant United States Attorney
Acting Chief, Major Frauds Section

12
13 RANEE KATZENSTEIN
Assistant United States Attorney
Deputy Chief, Major Frauds Section

14
15 RICHARD E. ROBINSON
Assistant United States Attorney
Major Frauds Section
16 Central District of California

17
18 DENNIS MCINERNEY
Chief, Fraud Section,
Criminal Division
19 United States Department of Justice

20 
21 PETER B. LOEWENBERG
Senior Trial Attorney
22 Fraud Section, Criminal Division
United States Department of Justice

23 
24 CARLA CONOVER
Special Assistant United States
25 Attorney