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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA, Plaintiff, v. ALPHA TECHNOLOGIES, INC., Defendant.	CR04 0173C INFORMATION

The United States Attorney charges that:

On or about September 15, 1997, at Bellingham, within the Western District of Washington, defendant ALPHA TECHNOLOGIES, INC. ("ATI") did willfully aid and assist in, procure, counsel, and advise the preparation and presentation to the Internal Revenue Service of a U.S. Corporation Income Tax Return (Form 1120) for G. B. Enterprises, Inc. ("GBE"), for the calendar year 1996 (the "Return"). 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 Alphatec, Ltd., a Cypriot corporation, both of which were controlled by the principal of Alpha Technologies, Inc. ("ATI"). In truth, ATI knew and believed that deductions claimed by GBE for business expenses were inflated by the amount of

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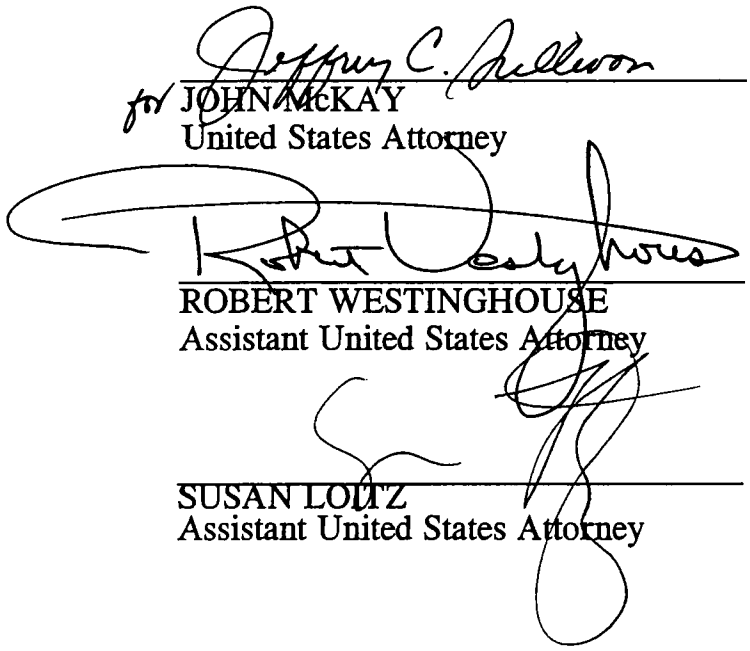
these residual commissions, thereby causing the taxes due and owing by GBE for the calendar year 1996 to be under reported by a sum in excess of $1,721,000.

All in violation of Title 26, United States Code, Section 7206(2).

DATED this 12th day of April, 2004.



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