

1 PHILLIP A. TALBERT
United States Attorney
2 TODD A. PICKLES
MATTHEW M. YELOVICH
3 Assistant United States Attorneys
501 I Street, Suite 10-100
4 Sacramento, CA 95814
Telephone: (916) 554-2700
5 Facsimile: (916) 554-2900

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EASTERN DISTRICT OF CALIFORNIA
BY _____
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6 Attorneys for Plaintiff
7 United States of America

8 IN THE UNITED STATES DISTRICT COURT
9 EASTERN DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,
12 Plaintiff,

13 v.

14 JOHN A. CROSBY,
INES S. CROSBY, and
15 LESLIE A. LOHSE,

16 Defendants.

CASE NO. 2:17 - CR - 0006 TLN

18 U.S.C. § 371 – Conspiracy to Embezzle or Steal
from a Tribal Organization; 18 U.S.C. § 1163 –
Embezzlement or Theft from a Tribal Organization
(48 Counts); 18 U.S.C. § 1519 – Falsification of
Document in Federal Investigation; 18 U.S.C. § 1001
– False Statement to Federal Agent (4 Counts); 26
U.S.C. § 7206(1) – Making and Subscribing to False
Tax Return (10 Counts); 26 U.S.C. § 7203 – Failure
to File Tax Return (5 Counts)

17
18 INDICTMENT

19 COUNT ONE: [18 U.S.C. § 371 – Conspiracy to Embezzle or Steal from a Tribal Organization]

20 The Grand Jury charges:

21 JOHN A. CROSBY,
22 INES S. CROSBY, and
23 LESLIE A. LOHSE,

24 defendants herein, as follows:

25 **I. PARTIES AND RELEVANT ENTITIES**

26 At times relevant to this Indictment:

27 1. The Paskenta Band of Nomlaki Indians (hereinafter “the Tribe”) was a federally-
28 recognized Indian tribe subject to the laws of the United States relating to Indian affairs. The Tribe

1 maintained offices and owned property in or around Orland and in or around Corning in Tehama
2 County, California.

3 2. Defendant JOHN A. CROSBY was a resident of Shasta County, California. From
4 approximately 2001 through April 2014, JOHN CROSBY was an officer, employee, and agent of the
5 Tribe, and worked for the Tribe as the Economic Development Director. JOHN CROSBY also sat on
6 the boards of Tribal entities and companies in which the Tribe invested.

7 3. Defendant INES S. CROSBY was a resident of Tehama County, California. From
8 approximately 1996 through April 2014, INES CROSBY was an officer, employee and agent of the
9 Tribe, and worked for the Tribe as the Tribal Administrator. INES CROSBY was the mother of JOHN
10 CROSBY. INES CROSBY also sat on a board of one of the Tribal entities and on one of the companies
11 in which the Tribe invested.

12 4. Defendant LESLIE A. LOHSE was a resident of Glenn County, California. From
13 approximately 1998 through April 2014, LESLIE LOHSE was an officer, employee, and agent of the
14 Tribe, and served as the Tribe's Treasurer and was a member of the Tribe's Tribal Council. LESLIE
15 LOHSE also worked in the Tribe's administrative office with INES CROSBY. LESLIE LOHSE was
16 the sister of INES CROSBY and the aunt of JOHN CROSBY.

17 5. Beginning in approximately 2002, the Tribe opened the Rolling Hills Casino ("Casino"),
18 in Corning, California. Thereafter, the Tribe received considerable revenue from the operation of the
19 Casino. The monies and funds generated from the Casino were the property of the Tribe, and were the
20 main source of money for the Tribe's finances and operations. A portion of the monies and funds the
21 Tribe received from the Casino also was paid to each member of the Tribe through regular payments.

22 6. Monies generated by the Casino were deposited into bank accounts in the name of and
23 for the benefit of the Tribe. The defendants, because of their positions within the Tribe, had access to
24 the monies and funds deposited into the Tribe's bank accounts.

25 **II. THE CONSPIRACY**

26 7. Beginning in or about January 2009, and continuing through at least in or about May
27 2014, in Tehama, Shasta, and Glenn Counties, in the State and Eastern District of California, and
28 elsewhere, defendants JOHN A. CROSBY, INES S. CROSBY, and LESLIE A. LOHSE did knowingly

1 and intentionally conspire with each other and with others known and unknown to the Grand Jury to
2 commit embezzlement and theft from a tribal organization in violation of Title 18, United States Code,
3 Section 1163.

4 8. The objects of the conspiracy were to embezzle, steal, and knowingly convert for the
5 defendants' use and the use of another the moneys, funds, assets, credits, and other property of the Tribe,
6 and to conceal evidence of such embezzlement, theft, and conversion.

7 **III. MANNER AND MEANS OF THE CONSPIRACY**

8 The conspiracy was carried out in the following ways, among others:

9 9. The defendants used their access to the Tribe's bank accounts to make purchases and
10 payments for their benefit and the benefit of others, including family members, through a variety of
11 means, such as the following:

- 12 a. One or more of the defendants wrote checks from the Tribe's accounts to each other,
13 some bearing the memorandum line "travel."
- 14 b. One or more of the defendants wrote checks from the Tribe's accounts to "cash."
- 15 c. One or more of the defendants wrote checks from the Tribe's accounts to make payments
16 on their personal credit card balances and the personal credit card balances of others,
17 including family members.
- 18 d. The defendants wrote checks from the Tribe's accounts to vendors for personal purchases
19 such as vehicles and home improvements.
- 20 e. One or more of the defendants used cashier's checks drawn on the Tribe's accounts for
21 personal purchases, such as real estate transactions.
- 22 f. One or more of the defendants caused phone and online payments to be made from the
23 Tribe's accounts for their personal credit card balances and the personal credit card
24 balances of others.
- 25 g. One or more of the defendants transferred money online from the Tribe's accounts to
26 their personal bank accounts.
- 27 h. One or more of the defendants caused wire transfers from the Tribe's accounts to pay for
28 chartered plane travel.

1 10. The defendants' personal expenditures for which the Tribe's funds were used included
2 paying for vehicles, travel, clothing, electronics and other personal items, home renovation, remodeling,
3 and improvement, personal business investments, and otherwise to make payments on their personal
4 credit card balances.

5 11. While making such expenditures of the Tribe's funds and after doing so, the defendants
6 acted to avoid detection and conceal evidence of their embezzlement, theft, and conversion through a
7 variety of means, including the following:

- 8 a. One or more of the defendants caused false entries to be placed on checks concealing the
9 true purpose of the use of the money.
- 10 b. The defendants caused others to access the Casino's database to attempt to delete or
11 destroy the Tribe's records.
- 12 c. The defendants falsified documents misrepresenting the nature of the monies and funds
13 obtained by the defendants.

14 12. As a result of the embezzlement, theft, and conversion, and the concealment of such
15 embezzlement, theft, and conversion, the defendants obtained at least \$6,000,000 of the Tribe's monies,
16 funds, credits, assets, and property and used other Tribal assets for their personal benefit.

17 **IV. OVERT ACTS**

18 In furtherance of the conspiracy and to accomplish its objects, defendants JOHN CROSBY,
19 INES CROSBY, and LESLIE LOHSE and others known and unknown to the Grand Jury, committed
20 and caused to be committed the following overt acts, among others, in the State and Eastern District of
21 California and elsewhere:

22 13. On or about January 10, 2012, JOHN CROSBY caused approximately \$838,434.14 of the
23 Tribe's funds to be deposited into escrow for the purchase of his personal residence.

24 14. On or about January 17, 2012, INES CROSBY caused approximately \$17,824.00 of the
25 Tribe's funds to be paid for the construction and installation of a Koi pond and water feature at her
26 personal residence.

27 15. On or about January 24, 2012, INES CROSBY caused approximately \$49,016.00 of the
28 Tribe's funds to be paid for the construction and installation of a Koi pond and water feature at her

1 personal residence.

2 16. On or about January 30, 2012, JOHN CROSBY caused approximately \$7,927.34 of the
3 Tribe's funds to be paid towards the purchase of home owners insurance and carpet for his personal
4 residence.

5 17. On or about February 14, 2012, INES CROSBY caused approximately \$3,085.43 of the
6 Tribe's funds to be used to make a payment on her personal credit card balance.

7 18. On or about March 1, 2012, INES CROSBY caused approximately \$17,824.00 of the
8 Tribe's funds to be paid for the construction and installation of a Koi pond and water feature at her
9 personal residence.

10 19. On or about March 6, 2012, INES CROSBY caused approximately \$55,120.00 of the
11 Tribe's funds to be paid for a trip to New Zealand.

12 20. On or about April 30, 2012, INES CROSBY caused approximately \$5,849.31 of the
13 Tribe's funds to be used to make a payment on her personal credit card balance.

14 21. On or about May 10, 2012, LESLIE LOHSE caused approximately \$9,665.18 of the
15 Tribe's funds to be used to make a payment on the personal credit card balance of Person 1.

16 22. On or about May 24, 2012, JOHN CROSBY caused approximately \$74,826.50 of the
17 Tribe's funds to be paid for the design, construction, and installation of a swimming pool and zero edge
18 spa at his personal residence.

19 23. On or about June 7, 2012, JOHN CROSBY caused approximately \$119,131.00 of the
20 Tribe's funds to be paid for the design, construction, and installation of a swimming pool and zero edge
21 spa at his personal residence.

22 24. On or about July 20, 2012, JOHN CROSBY caused approximately \$81,558.00 of the
23 Tribe's funds to be paid for the design, construction, and installation of a swimming pool and zero edge
24 spa at his personal residence.

25 25. On or about July 27, 2012, INES CROSBY caused approximately \$45,613.72 of the
26 Tribe's funds to be paid for the purchase of a personal car for Person 2.

27 26. On or about July 31, 2012, JOHN CROSBY caused approximately \$74,429.88 of the
28 Tribe's funds to be paid towards the purchase of a personal car.

1 27. On or about August 2, 2012, JOHN CROSBY caused approximately \$34,100.55 of the
2 Tribe's funds to be paid for the construction of a covered patio at his personal residence.

3 28. On or about August 20, 2012, JOHN CROSBY caused approximately \$49,097.92 of the
4 Tribe's funds to be paid for the design, construction, and installation of a swimming pool and zero edge
5 spa at his personal residence.

6 29. On or about September 14, 2012, JOHN CROSBY caused approximately \$39,691.00 of
7 the Tribe's funds to be paid for the construction of a covered patio at his personal residence.

8 30. On or about October 8, 2012, LESLIE LOHSE caused approximately \$5,746.75 of the
9 Tribe's funds to be paid to herself by check with the memorandum falsely indicating it was for "travel."

10 31. On or about December 17, 2012, INES CROSBY caused approximately \$4,123.34 of the
11 Tribe's funds to be used to make a payment on her personal credit card balance.

12 32. On or about January 6, 2013, INES CROSBY caused approximately \$14,231.82 of the
13 Tribe's funds to be paid for a hotel stay in San Diego, California.

14 33. On or about January 9, 2013, INES CROSBY caused approximately \$2,000.00 of the
15 Tribe's funds to be paid for the purchase of personal beauty products.

16 34. On or about January 14, 2013, LESLIE LOHSE caused approximately \$8,101.11 of the
17 Tribe's funds to be used to make a payment on the personal credit card balance of Person 1.

18 35. On or about January 31, 2013, JOHN CROSBY caused approximately \$66,900.00 of the
19 Tribe's funds to be paid for the purchase of a personal car.

20 36. On or about March 12, 2013, INES CROSBY caused approximately \$1,083.20 of the
21 Tribe's funds to be paid for the purchase of clothing.

22 37. On or about March 18, 2013, JOHN CROSBY caused approximately \$65,502.00 of the
23 Tribe's funds to be paid for a chartered flight to and from Honduras.

24 38. On or about March 21, 2013, JOHN CROSBY caused approximately \$59,594.25 of the
25 Tribe's funds to be paid for the design and construction of a fountain at his personal residence.

26 39. On or about April 4, 2013, INES CROSBY caused approximately \$1,155.00 in the
27 Tribe's funds to be paid for the purchase of a handbag.

1 40. On or about April 24, 2013, INES CROSBY caused approximately \$14,022.40 of the
2 Tribe's funds to be paid for a Caribbean vacation.

3 41. On or about May 9, 2013, INES CROSBY caused approximately \$103,051.60 of the
4 Tribe's funds to be paid for a chartered flight to and from Punta Cana, Dominican Republic.

5 42. On or about May 17, 2013, JOHN CROSBY caused approximately \$53,373.40 of the
6 Tribe's funds to be paid for the purchase of a personal car.

7 43. On or about May 21, 2013, JOHN CROSBY caused approximately \$97,350.00 of the
8 Tribe's funds to be paid for the purchase of a personal sport boat.

9 44. On or about June 6, 2013, JOHN CROSBY caused approximately \$150,382.95 of the
10 Tribe's funds to be paid for the purchase of gold coins and precious metals.

11 45. On or about June 12, 2013, JOHN CROSBY caused approximately \$105,339.46 of the
12 Tribe's funds to be paid for a chartered flight to and from Hawaii.

13 46. On or about June 17, 2013, JOHN CROSBY caused approximately \$61,327.75 of the
14 Tribe's funds to be paid for the purchase of a personal truck for Person 3.

15 47. On or about June 21, 2013, INES CROSBY caused approximately \$55,468.93 of the
16 Tribe's funds to be paid for the purchase of a watch.

17 48. On or about July 24, 2013, JOHN CROSBY caused approximately \$16,885.00 of the
18 Tribe's funds to be paid for landscaping and the design, construction, and installation of a putting green,
19 irrigation system, and rock boulder walls at his personal residence.

20 49. On or about August 27, 2013, INES CROSBY caused approximately \$48,949.60 of the
21 Tribe's funds to be paid for a trip to East Africa.

22 50. On or about September 20, 2013, JOHN CROSBY caused approximately \$24,542.88 of
23 the Tribe's funds to be paid for the purchase of a personal truck.

24 51. On or about September 27, 2013, LESLIE LOHSE caused approximately \$8,920.94 of
25 the Tribe's funds to be used to make a payment on the personal credit card balance of Person 1.

26 52. On or about November 13, 2013, INES CROSBY caused approximately \$11,656.75 of
27 the Tribe's funds to be paid to purchase jewelry.

28

1 53. On or about December 19, 2013, JOHN CROSBY caused approximately \$61,000.00 of
2 the Tribe's funds to be transferred to JOHN CROSBY's personal account to pay down a home equity
3 line of credit.

4 54. On or about December 27, 2013, JOHN CROSBY caused approximately \$55,000.00 of
5 the Tribe's funds to be transferred to JOHN CROSBY's personal account to pay down a home equity
6 line of credit.

7 55. On or about January 23, 2014, INES CROSBY caused approximately \$5,610.98 of the
8 Tribe's funds to be used to make a payment on her personal credit card balance.

9 56. On or about February 27, 2014, INES CROSBY caused \$3,052.97 of the Tribe's funds to
10 be paid for the purchase of electronics.

11 57. On or about March 17, 2014, INES CROSBY caused approximately \$1,048.13 of the
12 Tribe's funds to be used to make a payment on her personal credit card balance.

13 58. On or about March 21, 2014, INES CROSBY caused approximately \$93,331.05 of the
14 Tribe's funds to be paid for the purchase of a personal car.

15 59. On or about April 1, 2014, INES CROSBY caused approximately \$2,050.00 of the
16 Tribe's funds to be paid for a gym membership.

17 60. On or about April 11, 2014, LESLIE LOHSE caused approximately \$3,572.56 the
18 Tribe's funds to be used to make a payment on the personal credit card balance of Person 1.

19 61. In or around April 2014, JOHN CROSBY, INES CROSBY, LESLIE LOHSE and others
20 created and caused to be created false documents misrepresenting the nature of their receipt and use of
21 Tribal monies and funds.

22 62. On or about May 15, 2014, JOHN CROSBY, INES CROSBY, LESLIE LOHSE, and
23 others caused the Casino's computer servers to be remotely accessed and information stored on the
24 servers to be erased.

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

COUNTS TWO THROUGH TWENTY-TWO: [18 U.S.C. § 1163 – Embezzlement and Theft from a Tribal Organization]

The Grand Jury further charges: T H A T

JOHN A. CROSBY,

on or about the dates listed below, in Shasta and Tehama Counties, in the State and Eastern District of California, being an officer, employee, and agent of an Indian tribal organization, that is the Paskenta Band of Nomlaki Indians (“the Tribe”), did embezzle, steal and willfully and knowingly convert to his own use and the use of another the following monies, funds, credits, assets and property belonging to the Tribe, as set forth below:

<u>Count</u>	<u>Date</u>	<u>Money, Fund, Credit, Asset or Property</u>
2	January 10, 2012	\$838,434.14
3	January 30, 2012	\$7,927.34
4	May 24, 2012	\$74,826.50
5	June 7, 2012	\$119,131.00
6	July 20, 2012	\$81,558.00
7	July 31, 2012	\$74,429.88
8	August 2, 2012	\$34,100.55
9	August 20, 2012	\$49,097.92
10	September 14, 2012	\$39,691.00
11	January 31, 2013	\$66,900.00
12	March 18, 2013	\$65,502.00
13	March 21, 2013	\$59,594.25
14	May 17, 2013	\$53,373.40
15	May 21, 2013	\$97,350.00
16	June 6, 2013	\$150,382.95
17	June 12, 2013	\$105,339.46
18	July 24, 2013	\$16,885.00

19	September 20, 2013	\$24,542.88
20	December 19, 2013	\$61,000.00
21	December 27, 2013	\$55,000.00
22	June 17, 2013	\$61,327.75

In violation of Title 18, United States Code, Section 1163.

COUNTS TWENTY-THREE THROUGH FORTY-FOUR: [18 U.S.C. § 1163 – Embezzlement and Theft from a Tribal Organization]

The Grand Jury further charges: T H A T

INES S. CROSBY,

on or about the dates listed below, in Tehama County, in the State and Eastern District of California, being an officer, employee, and agent of an Indian tribal organization, that is the Paskenta Band of Nomlaki Indians (“the Tribe”), did embezzle, steal and willfully and knowingly convert to her own use and the use of another the following monies, funds, credits, assets and property belonging to the Tribe, as set forth below:

<u>Count</u>	<u>Date</u>	<u>Money, Fund, Credit, Asset or Property</u>
23	January 17, 2012	\$17,824.00
24	January 24, 2012	\$49,016.00
25	February 14, 2012	\$3,085.43
26	March 1, 2012	\$17,824.00
27	March 6, 2012	\$55,120.00
28	April 30, 2012	\$5,849.31
29	July 27, 2012	\$45,613.72
30	December 17, 2012	\$4,123.34
31	January 6, 2013	\$14,231.82
32	January 9, 2013	\$2,000.00
33	March 12, 2013	\$1,083.20

34	April 4, 2013	\$1,155.00
35	April 24, 2013	\$14,022.40
36	May 9, 2013	\$103,051.60
37	June 21, 2013	\$55,468.93
38	August 27, 2013	\$48,949.60
39	November 13, 2013	\$11,656.75
40	January 23, 2014	\$5,610.98
41	February 27, 2014	\$3,052.97
42	March 17, 2014	\$1,048.13
43	March 21, 2014	\$93,331.05
44	April 1, 2014	\$2,050.00

In violation of Title 18, United States Code, Section 1163.

COUNTS FORTY-FIVE THROUGH FORTY-NINE: [18 U.S.C. § 1163 – Embezzlement and Theft from a Tribal Organization]

The Grand Jury further charges: T H A T

LESLIE A. LOHSE,

on or about the dates listed below, in Tehama and Glenn Counties, in the State and Eastern District of California, being an officer, employee, and agent of an Indian tribal organization, that is the Paskenta Band of Nomlaki Indians (“the Tribe”), did embezzle, steal and willfully and knowingly convert to her own use and the use of another the following monies, funds, credits, assets and property belonging to the Tribe as set forth below:

<u>Count</u>	<u>Date</u>	<u>Money, Fund, Credit, Asset or Property</u>
45	May 10, 2012	\$9,665.18
46	October 8, 2012	\$5,746.75
47	January 14, 2013	\$8,101.11
48	September 27, 2013	\$8,920.94

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April 11, 2014 \$3,572.56

In violation of Title 18, United States Code, Section 1163.

COUNT FIFTY: [18 U.S.C. § 1519 – Alteration or Falsification of Records in Federal Investigation]

The Grand Jury further charges: T H A T

JOHN A. CROSBY,
INES S. CROSBY, and
LESLIE A. LOHSE,

defendants herein, in Shasta, Tehama, and Glenn Counties, in the State and Eastern District of California, and elsewhere, between in or about April 2014, did knowingly alter and falsify a document purporting to show a multi-million dollar line of credit from the Paskenta Band of Nomlaki Indians, with the intent to impede, obstruct, and influence the proper administration of a matter within the jurisdiction of Department of Interior, Bureau of Indian Affairs; the Department of Justice, Federal Bureau of Investigation; and the Department of Treasury, Internal Revenue Service-Criminal Investigation, each of which was a department and agency of the United States, in violation of Title 18, United States Code, Sections 2 and 1519.

COUNT FIFTY-ONE: [18 U.S.C. § 1001(a) – False Statement to Federal Agent]

The Grand Jury further charges: T H A T

LESLIE A. LOHSE,

defendant herein, on or about June 4, 2015, in Glenn County, in the State and Eastern District of California, did willfully and knowingly make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of a department or agency of the executive branch of the Government of the United States, to wit: the United States Department of Justice, Federal Bureau of Investigation, and the Department of the Treasury, Internal Revenue Service-Criminal Investigation, by falsely stating that (1) she had received a line of credit in the amount of \$5,000,000 from the Paskenta Band of Nomlaki Indians (“the Tribe”) and (2) a purported line of credit agreement dated January 2001 was an original document. The statements were false because, as defendant LESLIE LOHSE then and

1 there knew, (1) LESLIE LOHSE had not received a line of credit in the amount of \$5,000,000 from the
2 Tribe; and (2) the purported line of credit agreement dated January 2001 was not in fact an original
3 document, as it was created in 2014, in violation of Title 18, United States Code, Section 1001(a).

4
5 COUNT FIFTY-TWO: [18 U.S.C. § 1001(a) – False Statement to Federal Agent]

6 The Grand Jury further charges: T H A T

7 JOHN A. CROSBY,

8 defendant herein, on or about June 9, 2015, in Shasta County, in the State and Eastern District of
9 California, did willfully and knowingly make a materially false, fictitious, and fraudulent statement and
10 representation in a matter within the jurisdiction of a department or agency of the executive branch of
11 the Government of the United States, to wit: the United States Department of Justice, Federal Bureau of
12 Investigation, and the Department of the Treasury, Internal Revenue Service-Criminal Investigation, by
13 falsely stating that he had received a line of credit in the amount of \$5,000,000 from the Paskenta Band
14 of Nomlaki Indians (“the Tribe”). The statement was false because, as defendant JOHN CROSBY then
15 and there knew, he had not received a line of credit in the amount of \$5,000,000⁰⁰⁰ from the Tribe, in
16 violation of Title 18, United States Code, Section 1001(a).
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18 COUNT FIFTY-THREE: [18 U.S.C. § 1001(a) – False Statement to Federal Agent]

19 The Grand Jury further charges: T H A T

20 LESLIE A. LOHSE,

21 defendant herein, on or about June 9, 2015, in Shasta County, in the State and Eastern District of
22 California, did willfully and knowingly make a materially false, fictitious, and fraudulent statement and
23 representation in a matter within the jurisdiction of a department or agency of the executive branch of
24 the Government of the United States, to wit: the United States Department of Justice, Federal Bureau of
25 Investigation, and the Department of the Treasury, Internal Revenue Service-Criminal Investigation, by
26 falsely stating that she had received a line of credit in the amount of \$5,000,000 from the Paskenta Band
27 of Nomlaki Indians (“the Tribe”). The statement was false because, as defendant LESLIE LOHSE then
28 and there knew, she had not received a line of credit in the amount of \$5,000,000 from the Tribe, in

1 violation of Title 18, United States Code, Section 1001(a).

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3 COUNT FIFTY-FOUR: [18 U.S.C. § 1001(a) – False Statement to Federal Agent]

4 The Grand Jury further charges: T H A T

5 INES S. CROSBY,

6 defendant herein, on or about June 10, 2015, in Shasta County, in the State and Eastern District of
7 California, did willfully and knowingly make a materially false, fictitious, and fraudulent statement and
8 representation in a matter within the jurisdiction of a department or agency of the executive branch of
9 the Government of the United States, to wit: the United States Department of Justice, Federal Bureau of
10 Investigation, and the Department of the Treasury, Internal Revenue Service-Criminal Investigation, by
11 falsely stating that she had received a line of credit in the amount of \$5,000,000 from the Paskenta Band
12 of Nomlaki Indians (“the Tribe”). The statement was false because, as defendant INES CROSBY then
13 and there knew, she had not received a line of credit in the amount of \$5,000,000 from the Tribe, in
14 violation of Title 18, United States Code, Section 1001(a).

15
16 COUNT FIFTY-FIVE: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

17 The Grand Jury further charges: T H A T

18 JOHN A. CROSBY,

19 defendant herein, on or about April 15, 2011, in Butte and Shasta Counties, in the State and Eastern
20 District of California, did willfully make and subscribe to a tax return, which contained and was verified
21 by a written declaration that it was made under the penalties of perjury, and which he did not believe to
22 be true and correct as to every material matter. That tax return, which was prepared and signed in the
23 Eastern District of California and was filed with the Internal Revenue Service, stated that JOHN A.
24 CROSBY had a total joint income of \$551,588 for the calendar year ending December 31, 2010,
25 whereas, as he then and there knew he had a total joint income in excess of \$551,588, in violation of
26 Title 26, United States Code, Section 7206(1).

1 COUNT FIFTY-SIX: [26 U.S.C. § 7206(1) – Making and Subscribing to at False Tax Return]

2 The Grand Jury further charges: T H A T

3 JOHN A. CROSBY,

4 defendant herein, on or about April 11, 2012, in Butte and Shasta Counties, in the State and Eastern
5 District of California, did willfully make and subscribe to a tax return, which contained and was verified
6 by a written declaration that it was made under the penalties of perjury, and which he did not believe to
7 be true and correct as to every material matter. That tax return, which was prepared and signed in the
8 Eastern District of California and was filed with the Internal Revenue Service, stated that JOHN A.
9 CROSBY had a total joint income of \$434,905 for the calendar year ending December 31, 2011,
10 whereas, as he then and there knew he had a total joint income in excess of \$434,905, in violation of
11 Title 26, United States Code, Section 7206(1).

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13 COUNT FIFTY-SEVEN: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

14 The Grand Jury further charges: T H A T

15 JOHN A. CROSBY,

16 defendant herein, on or about April 15, 2013, in Butte and Shasta Counties, in the State and Eastern
17 District of California, did willfully make and subscribe to a tax return, which contained and was verified
18 by a written declaration that it was made under the penalties of perjury, and which he did not believe to
19 be true and correct as to every material matter. That tax return, which was prepared and signed in the
20 Eastern District of California and was filed with the Internal Revenue Service, stated that JOHN A.
21 CROSBY had a total joint income of \$510,203 for the calendar year ending December 31, 2012,
22 whereas, as he then and there knew he had a total joint income in excess of \$510,203, in violation of
23 Title 26, United States Code, Section 7206(1).

24
25 ^{FIFTYth LB}
COUNT ~~SIXTY~~-EIGHT: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

26 The Grand Jury further charges: T H A T

27 JOHN A. CROSBY,

28 defendant herein, on or about April 11, 2014, in Butte and Shasta Counties, in the State and Eastern

1 District of California, did willfully make and subscribe to a tax return, which contained and was verified
2 by a written declaration that it was made under the penalties of perjury, and which he did not believe to
3 be true and correct as to every material matter. That tax return, which was prepared and signed in the
4 Eastern District of California and was filed with the Internal Revenue Service, stated that JOHN A.
5 CROSBY had a total joint income of \$534,752 for the calendar year ending December 31, 2013,
6 whereas, as he then and there knew he had a total joint income in excess of \$534,753 in violation of
7 Title 26, United States Code, Section 7206(1).

8
9 COUNT FIFTY-NINE: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

10 The Grand Jury further charges: T H A T

11 JOHN A. CROSBY,

12 defendant herein, on or about October 15, 2015, in Butte and Shasta Counties, in the State and Eastern
13 District of California, did willfully make and subscribe to a tax return, which contained and was verified
14 by a written declaration that it was made under the penalties of perjury, and which he did not believe to
15 be true and correct as to every material matter. That tax return, which was prepared and signed in the
16 Eastern District of California and was filed with the Internal Revenue Service, stated that JOHN A.
17 CROSBY had a total joint income of \$789,231 for the calendar year ending December 31, 2014,
18 whereas, as he then and there knew he had a total joint income in excess of \$789,231 in violation of
19 Title 26, United States Code, Section 7206(1).

20
21 COUNT SIXTY: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

22 The Grand Jury further charges: T H A T

23 LESLIE A. LOHSE,

24 defendant herein, on or about April 7, 2011, in Glenn County, in the State and Eastern District of
25 California, did willfully make and subscribe to a tax return, which contained and was verified by a
26 written declaration that it was made under the penalties of perjury, and which she did not believe to be
27 true and correct as to every material matter. That tax return, which was prepared and signed in the
28 Eastern District of California and was filed with the Internal Revenue Service, stated that LESLIE A.

1 LOHSE had a total joint income of \$575, 271 for the calendar year ending December 31, 2010, whereas,
2 as she then and there knew LESLIE A. LOHSE had a total joint income in excess of \$575,271, in
3 violation of Title 26, United States Code, Section 7206(1).

4
5 COUNT SIXTY-ONE: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

6 The Grand Jury further charges: T H A T

7 LESLIE A. LOHSE,

8 defendant herein, on or about April 13, 2012, in Glenn County, in the State and Eastern District of
9 California, did willfully make and subscribe a tax return, which was verified by a written declaration
10 that it was made under the penalties of perjury, and which she did not believe to be true and correct as to
11 every material matter. That tax return, which was prepared and signed in the Eastern District of
12 California and was filed with the Internal Revenue Service, stated that LESLIE A. LOHSE and had a
13 total joint income of \$551,981 for the calendar year ending December 31, 2011, whereas, as she then
14 and there knew LESLIE A. LOHSE had a total joint income in excess of \$551,981, in violation of Title
15 26, United States Code, Section 7206(1).

16
17 COUNT SIXTY-TWO: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

18 The Grand Jury further charges: T H A T

19 LESLIE A. LOHSE,

20 defendant herein, on or about April 15, 2013, in Glenn County, in the State and Eastern District of
21 California, did willfully make and subscribe a tax return, which contained and was verified by a written
22 declaration that it was made under the penalties of perjury, and which she did not believe to be true and
23 correct as to every material matter. That tax return, which was prepared and signed in the Eastern
24 District of California and was filed with the Internal Revenue Service, stated that LESLIE A. LOHSE
25 had a total joint income of \$787,554 for the calendar year ending December 31, 2012, whereas, as she
26 then and there knew LESLIE A. LOHSE had a total joint income in excess of \$787,554, in violation of
27 Title 26, United States Code, Section 7206(1).

1 COUNT SIXTY-THREE: [26 U.S.C. § 7206(1) – Making and Subscribing to False Tax Return]

2 The Grand Jury further charges: T H A T

3 LESLIE A. LOHSE,

4 defendant herein, on or about April 15, 2014, in Glenn County, in the State and Eastern District of
5 California, did willfully make and subscribe a tax return, which contained and was verified by a written
6 declaration that it was made under the penalties of perjury, and which she did not believe to be true and
7 correct as to every material matter. That tax return, which was prepared and signed in the Eastern
8 District of California and was filed with the Internal Revenue Service, stated that LESLIE A. LOHSE
9 had a total joint income of \$688,391 for the calendar year ending December 31, 2013, whereas, as she
10 then and there knew LESLIE A. LOHSE had a total joint income in excess of \$688,391, in violation of
11 Title 26, United States Code, Section 7206(1).

12
13 COUNT SIXTY-FOUR: [26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return]

14 The Grand Jury further charges: T H A T

15 LESLIE A. LOHSE,

16 defendant herein, on or about April 2, 2015, in Glenn County, in the State and Eastern District of
17 California, did willfully make and subscribe a tax return, which contained and was verified by a written
18 declaration that it was made under the penalties of perjury, and which she did not believe to be true and
19 correct as to every material matter. That tax return, which was prepared and signed in the Eastern
20 District of California and was filed with the Internal Revenue Service, stated that LESLIE A. LOHSE
21 had a total joint income of \$1,698,183 for the calendar year ending December 31, 2014, whereas, as she
22 then and there knew LESLIE A. LOHSE had a total joint income in excess of \$1,698,183, in violation of
23 Title 26, United States Code, Section 7206(1).

24
25 COUNT SIXTY-FIVE: [26 U.S.C. § 7203 – Failure to File Tax Return]

26 The Grand Jury further charges:

27 INES S. CROSBY,

28 defendant herein, as follows:

1 1. During the calendar year 2010, in Glenn County, in the State and Eastern District of
2 California, INES CROSBY had and received gross income had and received gross income in excess of
3 \$20,900.

4 2. By reason of such gross income, she was required by law, following the close of the
5 calendar year 2010, and on or before April 15, 2011, to make an income tax return to the Internal
6 Revenue Service Center, in Fresno, California, to a person assigned to receive returns at the local office
7 of the Internal Revenue Service, or to another Internal Revenue Service office permitted by the
8 Commissioner of Internal Revenue, stating specifically the items of her gross income and any
9 deductions and credits to which she was entitled.

10 3. Well knowing and believing all of the foregoing, she did willfully fail, on or about April
11 15, 2011, in the Eastern District of California, and elsewhere, to make an income tax return, in violation
12 of Title 26, United States Code, Section 7203.

13
14 COUNT SIXTY-SIX: [26 U.S.C. § 7203 – Failure to File Tax Return]

15 The Grand Jury further charges:

16 INES S. CROSBY,

17 defendant herein, as follows:

18 1. During the calendar year 2011, in the County of Glenn, State and Eastern District of
19 California, INES CROSBY had and received gross income in excess of \$21,300.

20 2. By reason of such gross income, she was required by law, following the close of the
21 calendar year 2011, and on or before April 15, 2012, to make an income tax return to the Internal
22 Revenue Service Center, in Fresno, California, to a person assigned to receive returns at the local office
23 of the Internal Revenue Service, or to another Internal Revenue Service office permitted by the
24 Commissioner of Internal Revenue, stating specifically the items of her gross income and any
25 deductions and credits to which she was entitled.

26 3. Well knowing and believing all of the foregoing, she did willfully fail, on or about April
27 15, 2012, in the Eastern District of California, to make an income tax return, all in violation of Title 26,
28 United States Code, Section 7203.

1 COUNT SIXTY-SEVEN: [26 U.S.C. § 7203 – Failure to File Tax Return]

2 The Grand Jury further charges:

3 INES S. CROSBY,

4 defendant herein, as follows:

5 1. During the calendar year 2012, in the County of Glenn, State and Eastern District of
6 California, INES CROSBY had and received gross income in excess of \$21,800.

7 2. By reason of such gross income, she was required by law, following the close of the
8 calendar year 2012, and on or before April 15, 2013, to make an income tax return to the Internal
9 Revenue Service Center, in Fresno, California, to a person assigned to receive returns at the local office
10 of the Internal Revenue Service, or to another Internal Revenue Service office permitted by the
11 Commissioner of Internal Revenue, stating specifically the items of her gross income and any
12 deductions and credits to which she was entitled.

13 3. Well knowing and believing all of the foregoing, she did willfully fail, on or about April
14 15, 2013, in the Eastern District of California, to make an income tax return, all in violation of Title 26,
15 United States Code, Section 7203.

16
17 COUNT SIXTY-EIGHT: [26 U.S.C. § 7203 – Failure to File Tax Return]

18 The Grand Jury further charges:

19 INES S. CROSBY,

20 defendant herein, as follows:

21 1. During the calendar year 2013, in the County of Glenn, State and Eastern District of
22 California, INES CROSBY had and received gross income in excess of \$22,400.

23 2. By reason of such gross income, she was required by law, following the close of the
24 calendar year 2013, and on or before April 15, 2014, to make an income tax return to the Internal
25 Revenue Service Center, in Fresno, California to a person assigned to receive returns at the local office
26 of the Internal Revenue Service, or to another Internal Revenue Service office permitted by the
27 Commissioner of Internal Revenue, stating specifically the items of her gross income and any
28 deductions and credits to which she was entitled.

1 3. Well knowing and believing all of the foregoing, she did willfully fail, on or about April
2 15, 2014, in the Eastern District of California, to make an income tax return, all in violation of Title 26,
3 United States Code, Section 7203.

4
5 COUNT SIXTY-NINE: [26 U.S.C. § 7203 – Failure to File Tax Return]

6 The Grand Jury further charges:

7 INES S. CROSBY,

8 defendant herein, as follows:

9 1. During the calendar year 2014, in the County of Glenn, State and Eastern District of
10 California, INES CROSBY had and received gross income in excess of \$22,700.

11 2. By reason of such gross income, she was required by law, following the close of the
12 calendar year 2014, and on or before April 15, 2015, to make an income tax return to the Internal
13 Revenue Service Center, in Fresno, California, to a person assigned to receive returns at the local office
14 of the Internal Revenue Service, or to another Internal Revenue Service office permitted by the
15 Commissioner of Internal Revenue, stating specifically the items of her gross income and any
16 deductions and credits to which she was entitled.

17 3. Well knowing and believing all of the foregoing, she did willfully fail, on or about April
18 15, 2015, in the Eastern District of California, to make an income tax return, all in violation of Title 26,
19 United States Code, Section 7203.

20
21 A TRUE BILL.

22
23 **/s/ Signature on file w/AUSA**
24 _____
25 FOREPERSON

24 
25 _____
26 PHILLIP A. TALBERT
27 United States Attorney
28

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

**JOHN A. CROSBY,
INES S. CROSBY,
LESLIE A. LOHSE**

INDICTMENT

VIOLATION(S): 18 U.S.C. § 371 – Conspiracy to Embezzle or Steal from a Tribal Organization
18 U.S.C. § 1163 – Embezzlement or Theft from a Tribal Organization
18 U.S.C. § 1519 – Falsification of Document in Federal Investigation
18 U.S.C. § 1001 – False Statement to a Federal Agent
26 U.S.C. § 7206(1) – Fraud and False Statements on Tax Returns
26 U.S.C. § 7203 – Failure to File Tax Return

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this 5 day

of JANUARY, A.D. 2017

Clerk.

Bail, \$ -----

NO BAIL WARRANT

as to all Defendants

[Signature]

United States v. Crosby, et al.
Penalties for Indictment

Defendants

JOHN CROSBY, INES CROSBY, and LESLIE LOHSE

COUNT 1: ALL DEFENDANTS

VIOLATION: 18 U.S.C. § 371 – Conspiracy to Embezzle or Steal from a Tribal Organization

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 2–22: JOHN CROSBY

VIOLATION: 18 U.S.C. § 1163 – Embezzlement or Theft from a Tribal Organization

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 23–44: INES CROSBY

VIOLATION: 18 U.S.C. § 1163 – Embezzlement or Theft from a Tribal Organization

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 45-49: LESLIE CROSBY

VIOLATION: 18 U.S.C. § 1163 – Embezzlement or Theft from a Tribal Organization

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 50: **ALL DEFENDANTS**

VIOLATION: 18 U.S.C. § 1519 – Falsification of Document in Federal Investigation

PENALTIES: Maximum sentence of 20 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 51: **LESLIE LOHSE**

VIOLATION: 18 U.S.C. § 1001 – False Statement to Government Agent

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 52: **JOHN CROSBY**

VIOLATION: 18 U.S.C. § 1001 – False Statement to Government Agent

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 53: **LESLIE LOHSE**

VIOLATION: 18 U.S.C. § 1001 – False Statement to Government Agent

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 54: INES CROSBY

VIOLATION: 18 U.S.C. § 1001 – False Statement to Government Agent

PENALTIES: Maximum sentence of 5 years in prison; or
Fine of up to \$250,000; or both fine and imprisonment
Up to 3 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 55-59: JOHN CROSBY

VIOLATION: 26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return

PENALTIES: Maximum sentence of 3 years in prison; or
Fine of up to \$100,000; or both fine and imprisonment
Up to 1 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 60-64: LESLIE LOHSE

VIOLATION: 26 U.S.C. § 7206(1) – Making and Subscribing to a False Tax Return

PENALTIES: Maximum sentence of 3 years in prison; or
Fine of up to \$100,000; or both fine and imprisonment
Up to 1 years supervised release

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 65-69: INES CROSBY

VIOLATION: 26 U.S.C. § 7203 – Failure to File Tax Return

PENALTIES: Maximum sentence of 1 year in prison; or
Fine of up to \$25,000; or both fine and imprisonment
Up to 1 years supervised release

SPECIAL ASSESSMENT: \$50 (mandatory on each count)