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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2005 Grand Jury

UNITED STATES OF AMERICA,	)	SA CR 06-224
)	
Plaintiff,	)	<u>F I R S T</u>
	)	<u>S U P E R S E D I N G</u>
v.	)	<u>I N D I C T M E N T</u>
)	
MICHAEL S. CARONA,	)	[18 U.S.C. § 371: Conspiracy;
DEBRA VICTORIA HOFFMAN,	)	18 U.S.C. §§ 1341 and 1346: Mail
a/k/a Debra Victoria Schroff,	)	Fraud Depriving the Public of the
a/k/a Debra Hoffman Schroff,	)	Right of Honest Services of a
and DEBORAH CARONA,	)	Public Official; 18 U.S.C. §
	)	1512(b): Witness Tampering;
Defendants.	)	18 U.S.C. § 152(3): False
	)	Statement In Bankruptcy;
	)	18 U.S.C. § 152(1): Fraudulent
	)	Concealment of Property In
	)	Bankruptcy; 18 U.S.C. § 2: Aiding
	)	and Abetting]
)	
	)	<u>[UNDER SEAL]</u>
)	

The Grand Jury charges:

I. INTRODUCTION

At all times relevant to this Indictment:

1. Defendant MICHAEL S. CARONA ("CARONA") was the elected Sheriff-Coroner ("Sheriff") of County of Orange, State of

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1 California. Defendant CARONA was first elected Sheriff
2 by the citizens of Orange County on or about June 2, 1998, and
3 was re-elected Sheriff in 2002 and 2006. As the Sheriff,
4 defendant CARONA was the chief law enforcement officer of Orange
5 County. Defendant CARONA also served as the Chairman of the
6 California Council on Criminal Justice ("CCCJ").

7 2. Defendant DEBRA VICTORIA HOFFMAN ("HOFFMAN"), also
8 known as "Debra Victoria Schroff" and "Debra Hoffman Schroff,"
9 was the long-time mistress of defendant CARONA and an attorney
10 licensed to practice in the State of California. Defendant
11 HOFFMAN was a partner at the law firm of Jaramillo, Hoffman and
12 Associates ("JHA"). Defendant HOFFMAN also served as a member of
13 the CCCJ and the State Advisory Group on Juvenile Justice
14 Delinquency Prevention ("SAG-JJDP").

15 3. Defendant DEBORAH CARONA was the wife of defendant
16 CARONA. At the request of defendant CARONA, the Governor
17 appointed defendant DEBORAH CARONA to the Board of Directors for
18 the 32nd District Agricultural Association, also known as the
19 Orange County Fair Board of Directors.

20 4. Defendant CARONA named co-conspirator Jaramillo the
21 Assistant Sheriff for Operations and Chief of Staff of the Orange
22 County Sheriff's Department. Co-conspirator Jaramillo was the
23 Assistant Sheriff from in or about January 1999 until on or about
24 March 17, 2004. Co-conspirator Jaramillo further was a member of
25 SAG-JJDP and a partner at the JHA law firm.

26 5. Co-conspirator Donald Haidl ("Haidl") was a successful
27 Orange County businessman who owned and operated automobile
28 auction businesses, including Nationwide Auction Systems (later

1 sold to Entrade, Inc., a publicly-traded corporation). Defendant
2 CARONA appointed co-conspirator Haidl as the Assistant Sheriff
3 for Reserves of the Orange County Sheriff's Department, a
4 position co-conspirator Haidl maintained from in or about January
5 1999 through in or about February 2005.

6 6. Co-conspirator J.G.C. was a licensed California attorney
7 who specialized in criminal defense and personal injury work. Co-
8 conspirator J.G.C. was a long-time personal friend of defendant
9 CARONA. Starting in or about December 1999, co-conspirator
10 J.G.C. took over the legal practice at JHA, while maintaining his
11 own legal practice and office.

12 7. The Orange County Sheriff's Department was a law
13 enforcement agency that received in excess of \$10,000 annually
14 pursuant to Federal programs involving grants, contracts, loans,
15 guarantees, and other forms of Federal assistance within the
16 meaning of 18 U.S.C. § 666(b) from 1998 through 2006.

17 Duty Of Honest Services/Duty to Disclose

18 8. Section 87100 of the California Government Code
19 prohibited a public official from making, participating in
20 making, or in any way attempting to use the official's position
21 to influence a government decision in which the official knew or
22 had reason to know the official had a financial interest. The
23 purpose of the California financial disclosure laws was to ensure
24 that public officials perform their duties in an impartial
25 manner, free from bias caused by their own financial interests or
26 the financial interests of persons or organizations who have
27 supported them.

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1 9. California Government Code Sections 87200 and 87203
2 required that certain public officials, including the Sheriff of
3 Orange County, the Assistant Sheriffs of Orange County, the
4 Chairman and members of the CCCJ, the Orange County Fair Board,
5 and the SAG-JJDP, among others, provide detailed and accurate
6 information regarding their economic interests and sources of
7 income. Each year, a public official was required by law to file
8 a California Fair Political Practices Commission Form 700
9 Statement of Economic Interests ("Statement of Economic
10 Interests") covering a twelve-month period. The Statement of
11 Economic Interests required, under penalty of perjury, the
12 disclosure of all sources of economic interests, including
13 investments, real property, income, loans, business positions,
14 gifts, and travel payments. The filed Statements of Economic
15 Interests were public records and open for public inspection and
16 reproduction by voters, members of the news media, political
17 opponents, and anyone else seeking truthful information about the
18 relationship between a public official and the nature and source
19 of his or her economic interests.

20 10. When first elected as Orange County Sheriff in 1998,
21 and when re-elected in 2002 and 2006, defendant CARONA took an
22 oath to support and defend the Constitution of the United States,
23 and the Constitution of the State of California, and to well and
24 faithfully discharge the duties of his office. As the elected
25 Sheriff of Orange County, defendant CARONA held a position of
26 trust and confidence, and owed the public a duty of providing
27 honest services. This duty included an obligation on the part of
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1 defendant CARONA to conduct his elected office in an honest,
2 faithful, and disinterested manner, free from self-dealing.

3 11. As Orange County Sheriff, defendant CARONA owed a duty
4 to truthfully and honestly disclose, under penalty of perjury,
5 his financial interests annually on his Statements of Economic
6 Interests. As appointed members of various official state
7 boards, groups, and councils, defendant CARONA, defendant
8 HOFFMAN, and defendant DEBORAH CARONA owed a duty to truthfully
9 and honestly disclose, under penalty of perjury, each of their
10 financial interests annually on a Statement of Economic
11 Interests.

12 **II. OBJECTS OF THE CONSPIRACY**

13 12. Beginning on a date unknown to the Grand Jury, but as
14 early as March 1998 and continuing through approximately March
15 2004, in Orange County, within the Central District of
16 California, and elsewhere, defendants CARONA, HOFFMAN, and
17 DEBORAH CARONA, aiding and abetting each other, together with co-
18 conspirators Haidl, Jaramilo, J.G.C., and others both known and
19 unknown to the Grand Jury, did knowingly and intentionally
20 conspire and agree with each other to commit offenses against the
21 United States as follows:

22 (a) To execute and participate in a scheme and
23 artifice to defraud and deprive the citizens of the County of
24 Orange and the State of California of their intangible right to
25 defendant CARONA's honest services performed free from deceit,
26 fraud, concealment, bias, conflict of interest, and self-dealing,
27 and for the purpose of executing this scheme and artifice and
28 attempting to do so, did knowingly cause to be delivered certain

1 mail matter by United States Mail and private and commercial
2 interstate carriers, in violation of Title 18, United States
3 Code, Sections 1341, 1346, and 2;

4 (b) To corruptly accept and agree to accept, things of
5 value from others, intending to be influenced or rewarded in
6 connection with business, transactions, and series of
7 transactions of the government involving things of value of
8 \$5,000 or more while being an agent of a State or local
9 government and when such government or agency received, in any
10 one year period, benefits in excess of \$10,000 under a Federal
11 program in violation of Title 18, United States Code, Section
12 666(a) (1) (B); and

13 (c) To corruptly give, offer, and agree to give things
14 of value to others, with intent to influence and reward an agent
15 of a State or local government, in connection with business,
16 transactions, and series of transactions of such government or
17 agency involving things of value of \$5,000 or more when such
18 State or local government or agency received, in any one year
19 period, benefits in excess of \$10,000 under a Federal program in
20 violation of Title 18, United States Code, Section 666(a) (2).

21 13. The plan and purpose of the conspiracy was for
22 defendant CARONA to become elected Sheriff of Orange County, and
23 for him to corruptly use the office of Sheriff to enrich himself,
24 defendant HOFFMAN, defendant DEBORAH CARONA, co-conspirators
25 Haidl and Jaramillo, and others known and unknown to the Grand
26 Jury.

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1 III. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE
2 ACCOMPLISHED

3 14. The objects of the conspiracy were accomplished as
4 follows:

5 (a) Defendant CARONA and co-conspirators Haidl and
6 Jaramillo agreed to use, among other things, illegally reimbursed
7 campaign contributions to defendant CARONA's 1998 campaign for
8 Orange County Sheriff in violation of California law in order to
9 win the election.

10 (b) Defendant CARONA and co-conspirator Jaramillo
11 accepted regular cash payments from co-conspirator Haidl, as well
12 as gifts, trips, the use of Haidl's yacht and private plane, and
13 other things of value.

14 (c) At the direction of defendant CARONA, co-
15 conspirator Haidl provided defendant HOFFMAN with, among other
16 things, payments of money, and other things of value. Defendant
17 HOFFMAN used and maintained this money and other things of value
18 for the benefit of herself and defendant CARONA.

19 (d) Defendant CARONA corruptly used his office as
20 Orange County Sheriff to benefit co-conspirator Haidl, including
21 the appointment of co-conspirator Haidl to the position of
22 Assistant Sheriff of Orange County. Defendant CARONA further
23 used his office to corruptly benefit Haidl's friends, family, and
24 business associates, as well as other gift-givers and
25 contributors.

26 (e) In exchange for co-conspirator Haidl's financial
27 assistance for defendant CARONA's campaign as well as co-
28 conspirator Haidl's payments, gifts, and loans provided to

1 defendants CARONA and HOFFMAN and others, defendant CARONA
2 provided co-conspirator Haidl with full access to the resources
3 of the Orange County Sheriff's Department and a "Get Out of Jail
4 Free" card, and defendant CARONA otherwise abused his position as
5 Orange County Sheriff to enrich co-conspirator Haidl and co-
6 conspirator Haidl's friends and family.

7 (f) Defendant CARONA deprived the public of its right
8 to his honest services by concealing and otherwise failing to
9 disclose his acceptance of cash payments, as well as gifts,
10 trips, the use of yachts and private planes, and other things of
11 value for himself, his family, defendant HOFFMAN, and defendant
12 DEBORAH CARONA.

13 (g) Defendants CARONA, HOFFMAN, and DEBORAH CARONA,
14 aiding and abetting each other, covered-up and concealed their
15 receipt of cash, payments of money, loans, gifts, compensation
16 and other benefits from co-conspirator Haidl and others, as well
17 as their business relationships with co-conspirator Haidl,
18 through the making of false statements, and the concealment and
19 non-disclosure of material facts, in connection with the filing
20 of Statements of Economic Interests and other public documents.

21 (h) Defendants CARONA, HOFFMAN, and DEBORAH CARONA
22 used the United States mail and private and commercial interstate
23 carriers to facilitate the fraudulent scheme.

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1 IV. OVERT ACTS

2 15. In furtherance of the conspiracy, and to effect the
3 purposes and objects thereof, defendants CARONA, HOFFMAN, and
4 DEBORAH CARONA along with co-conspirators Haidl, Jaramillo, and
5 J.G.C., and other co-conspirators known and unknown to the Grand
6 Jury, committed or caused to be committed at least one of the
7 following overt acts within the Central District of California
8 and elsewhere:

9 (1) In or about 1998, defendant CARONA accepted from
10 co-conspirator Haidl several checks purportedly from different
11 campaign contributors in the amount of approximately \$1,000 each
12 (the "Bogus Campaign Contributions").

13 (2) In or about 1998, co-conspirator Haidl unlawfully
14 reimbursed the purported contributors for the Bogus Campaign
15 Contributions.

16 (3) On or about June 1, 1998, the day before the
17 election for Orange County Sheriff, at the request of defendant
18 CARONA, co-conspirator Haidl provided a \$110,000 cashier's check
19 to defendant HOFFMAN and co-conspirator Jaramillo as a loan for
20 the JHA law firm ("J-H Loan").

21 (4) In or about June 1998, after defendant CARONA won
22 the election, co-conspirator Haidl provided an all-expenses paid
23 trip to Lake Tahoe for defendants CARONA and DEBORAH CARONA, and
24 co-conspirator Jaramillo and his wife.

25 (5) Between approximately July through December 1998,
26 defendant CARONA accepted from co-conspirator Haidl approximately
27 \$6,000 in cash for defendant CARONA's personal use and benefit.

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1 (6) In or about December 1998, defendant CARONA
2 lobbied the Orange County Board of Supervisors to change the
3 county's hiring policies so that co-conspirator Haidl, who was
4 not otherwise qualified under such policies, could be appointed
5 to the position of Assistant Sheriff.

6 (7) On or about January 26, 1999, as Sheriff of Orange
7 County, defendant CARONA concealed and failed to disclose on his
8 "Assuming Office/Initial" Statement of Economic Interests cash
9 payments and other benefits co-conspirator Haidl and others had
10 provided to defendant CARONA.

11 (8) In or about January 1999, defendant CARONA
12 appointed co-conspirator Haidl to the position of Assistant
13 Sheriff for Reserves of the Orange County Sheriff's Department.

14 (9) In or about 1999, defendant CARONA caused certain
15 family members, friends and business associates of co-conspirator
16 Haidl be made Reserve Deputies sworn into the Orange County
17 Sheriff's Department Reserve Program.

18 (10) Between approximately January through December
19 1999, defendant CARONA accepted from conspirator Haidl
20 approximately \$12,000 in cash for defendant CARONA's personal use
21 and benefit.

22 (11) In or about February 1999, at the direction of
23 co-conspirator Haidl, defendant CARONA and co-conspirator
24 Jaramillo were appointed to a previously non-existent board of
25 directors for C.F.S., a company owned and controlled by Haidl's
26 uncle.

1 (12) In 1999, defendant CARONA and co-conspirator
2 Jaramillo accepted numerous checks from C.F.S. for approximately
3 \$1,000 under the false pretense that defendant CARONA and co-
4 conspirator Jaramillo were earning this money for participating
5 on the C.F.S. board.

6 (13) On or about September 18, 1999, defendant CARONA
7 accepted ringside tickets to the Oscar De La Hoya versus Felix
8 Trinidad championship boxing event at the Mandalay Bay Events
9 Center in Las Vegas, Nevada, from R.M., a retired Orange County
10 businessman.

11 (14) On or about October 28, 1999, at the request of
12 defendant CARONA, co-conspirator Haidl provided defendant HOFFMAN
13 with a check in the amount of approximately \$10,000.

14 (15) In or about October 1999, defendant CARONA and
15 co-conspirators Haidl and Jaramillo agreed to use their influence
16 as officials of the Orange County Sheriff's Department to refer
17 legal cases, including those involving Sheriff's employees, to
18 co-conspirator J.G.C. and to use the legal fees generated from
19 such cases to enrich themselves and to repay the J-H Loan (the
20 "Referral Agreement").

21 (16) On or about December 14, 1999, at the request of
22 defendant CARONA, co-conspirator Haidl provided defendant HOFFMAN
23 with a check in the amount of approximately \$5,000.

24 (17) In or about December 1999, defendant CARONA and
25 co-conspirator Jaramillo accepted from E.G., an Orange County
26 businessman, Mont Blanc pens, each valued at approximately
27 \$1,400.

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1 (18) Between approximately January through December
2 2000, defendant CARONA accepted from co-conspirator Haidl
3 approximately \$12,000 in cash for defendant CARONA's personal use
4 and benefit.

5 (19) In or about 2000, defendant DEBORAH CARONA
6 accepted from co-conspirator Haidl a St. John Suit worth
7 approximately \$1,500.

8 (20) On or about January 5, 2000, defendant CARONA
9 mailed a letter to the Governor's office recommending and
10 advocating that defendant HOFFMAN be appointed to a state board
11 or commission.

12 (21) On or about January 12, 2000, defendant HOFFMAN
13 filed Articles of Incorporation with the California Office of the
14 Secretary of State under the name "Bersagliere of Pacoima, Inc."
15 ("Bersagliere").

16 (22) On or about February 1, 2000, defendant CARONA
17 purchased a cashier's check for \$5,000 made payable to defendant
18 HOFFMAN.

19 (23) On or about February 10, 2000, at the request of
20 defendant CARONA, co-conspirator Haidl provided defendant HOFFMAN
21 with a check in the amount of approximately \$5,000.

22 (24) On or about February 14, 2000, defendant CARONA
23 provided defendant HOFFMAN with a check in the amount of \$1,500.

24 (25) On or about March 10, 2000, at the request of
25 defendant CARONA, co-conspirator Haidl provided defendant HOFFMAN
26 with a check in the amount of approximately \$10,000.

1 (26) On or about March 24, 2000, as Sheriff of Orange
2 County, defendant CARONA concealed and failed to disclose on his
3 Annual Year 1999 Statement of Economic Interests cash payments
4 and other benefits co-conspirator Haidl and others had provided
5 to defendant CARONA, as well as defendant CARONA's position as a
6 member of the board of directors of C.F.S.

7 (27) In or about April 2000, defendant HOFFMAN opened
8 a brokerage account in the name of Bersagliere.

9 (28) On or about April 12, 2000, defendant HOFFMAN
10 filed a Statement by Domestic Stock Corporation with the
11 California Office of the Secretary of State for Bersagliere that
12 listed defendant HOFFMAN as the Chief Executive Officer,
13 Secretary, and Chief Financial Officer, and described the type of
14 business of the corporation as "An Investment Group."

15 (29) On or about April 25, 2000, at the request of
16 defendant CARONA, co-conspirator Haidl provided defendant HOFFMAN
17 with a check in the amount of approximately \$10,000.

18 (30) In or about April 2000, defendant CARONA, co-
19 conspirators Jaramillo and J.G.C. met with two Orange County
20 businessmen who owned a paint-ball business (the "Paint-Ball
21 Business Owners") to discuss defendant CARONA's ability to use
22 his influence to facilitate the acquisition of land for the
23 construction of a paint-ball recreational facility within Orange
24 County (the "Paint-Ball Facility").

25 (31) In or about April 2000, co-conspirator J.G.C.
26 communicated to the Paint Ball Business Owners that defendant
27 CARONA would use his influence as Orange County Sheriff to assist
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1 with the Paint-Ball Facility in exchange for tens of thousands of
2 dollars in cash.

3 (32) In or about April 2000, the Paint-Ball Business
4 Owners paid approximately \$25,000 in cash to co-conspirator
5 J.G.C.

6 (33) On or about June 6, 2000, at the request of
7 defendant CARONA, co-conspirator Haidl provided defendant HOFFMAN
8 with a check in the amount of approximately \$10,000.

9 (34) On or about August 1, 2000, at the request of
10 defendant CARONA, co-conspirator Haidl provided defendant HOFFMAN
11 with a check in the amount of approximately \$15,000.

12 (35) On or about December 22, 2000, defendant HOFFMAN
13 assumed the position as committee member of the CCCJ after her
14 appointment by the Governor.

15 (36) Between approximately January through December
16 2001, defendant CARONA accepted from co-conspirator Haidl
17 approximately \$12,000 in cash for defendant CARONA's personal use
18 and benefit.

19 (37) On or about January 10, 2001, as Chairman of
20 CCCJ, defendant CARONA concealed and failed to disclose on his
21 "Assuming Office/Initial" Statement of Economic Interests mailed
22 to Sacramento, California, cash payments and other benefits co-
23 conspirator Haidl and others had provided to defendant CARONA.

24 (38) On or about January 21, 2001, as a member of the
25 CCCJ, defendant HOFFMAN concealed and failed to disclose on her
26 "Assuming Office/Initial" Statement of Economic Interests mailed
27 to Sacramento, California, payments, the J-H Loan, and other
28 benefits co-conspirator Haidl had provided to her.

1 (39) In or about January 2001, defendant HOFFMAN
2 purchased approximately 3,700 shares of stock in Entrade, Inc.
3 ("Entrade") in her personal brokerage account and her Bersagliere
4 brokerage account.

5 (40) In or about January 2001, defendant CARONA
6 purchased approximately 3,300 shares of Entrade Stock in his
7 personal brokerage account.

8 (41) On or about March 15, 2001, as a member of the
9 CCCJ, defendant HOFFMAN concealed and failed to disclose on her
10 "Amendment" to her "Assuming Office/Initial" Statement of
11 Economic Interests mailed to Sacramento, California, payments,
12 the J-H Loan, and other benefits co-conspirator Haidl had
13 provided to her, as well as her interest in Bersagliere and
14 Entrade stock.

15 (42) On or about March 27, 2001, as Sheriff of Orange
16 County, defendant CARONA concealed and failed to disclose on his
17 Annual Year 2000 Statement of Economic Interests cash payments
18 and other benefits co-conspirator Haidl and others had provided
19 to defendant CARONA and his ownership interest in Entrade stock.

20 (43) On or about May 11, 2001, defendant CARONA used
21 his influence as Orange County Sheriff to facilitate the
22 appointment of defendant DEBORAH CARONA to the Board of Directors
23 for the 32nd District Agricultural Association, also known as the
24 Orange County Fair Board of Directors.

25 (44) In or about May 2001, pursuant to the Referral
26 Agreement, defendant CARONA recommended to a widow of a deceased
27 Orange County Sheriff's Deputy that the widow use co-conspirator

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1 J.G.C. to represent her in a wrongful death suit against a
2 hospital.

3 (45) In or about May 2001, co-conspirator Haidl gave
4 defendant CARONA a Sea Ray Boat and boat trailer valued at over
5 approximately \$5,000.

6 (46) In or about July 2001, defendant CARONA provided
7 co-conspirator Haidl with a check for approximately \$5,150 to
8 make it falsely appear that defendant CARONA had purchased the
9 Sea Ray Boat from co-conspirator Haidl.

10 (47) In or about July 2001, co-conspirator Haidl
11 returned approximately \$5,000 in cash to defendant CARONA to
12 reimburse the check defendant CARONA had provided to co-
13 conspirator Haidl (the "Sea Ray Cash").

14 (48) In or about July 2001, defendant DEBORAH CARONA
15 deposited a portion of the Sea Ray Cash in her personal checking
16 account.

17 (49) On or about July 6, 2001, defendant CARONA used
18 his discretion to approve a Concealed Carry Weapon ("CCW") Permit
19 for E.G., even though E.G. had a prior conviction for a concealed
20 weapon offense.

21 (50) On or about September 25, 2001, at the request of
22 co-conspirator Haidl, defendant CARONA used his influence as
23 Orange County Sheriff to facilitate the appointment of Haidl's
24 sister, P.H., to the Orange County Fair Board of Directors.

25 (51) On or about November 13, 2001, defendant HOFFMAN
26 knowingly filed a false bankruptcy petition under Title 11 of the
27 United States Code, in which she concealed and failed to disclose
28 financial interests and assets she acquired and held in

1 connection with the conspiracy, including, but not limited to,
2 financial accounts, interest in Bersagliere, the J-H Loan, and
3 payments of money she received from co-conspirator Haidl from
4 October 1999 through August 2000.

5 (52) Between approximately January through July 2002,
6 defendant CARONA accepted from co-conspirator Haidl approximately
7 \$6,000 in cash for defendant CARONA's personal use and benefit.

8 (53) On or about March 10, 2002, as Sheriff of Orange
9 County, defendant CARONA concealed and failed to disclose on his
10 Annual Year 2001 Statement of Economic Interests cash payments
11 and other benefits co-conspirator Haidl and others had provided
12 to defendant CARONA and his ownership interest in Entrade stock.

13 (54) On or about March 20, 2002, as Chairman of CCCJ,
14 defendant CARONA concealed and failed to disclose on his Annual
15 Year 2001 Statement of Economic Interests mailed to Sacramento,
16 California, cash payments and other benefits co-conspirator Haidl
17 and others had provided to defendant CARONA.

18 (55) On or about March 25, 2002, as a member of the
19 CCCJ, defendant HOFFMAN concealed and failed to disclose on her
20 Annual Year 2001 Statement of Economic Interests mailed to
21 Sacramento, California, the J-H Loan, and other benefits co-
22 conspirator Haidl had provided to her, as well as her ownership
23 interest in Bersegliere and disposition of Entrade Stock.

24 (56) In or about July 2002, with defendant CARONA's
25 knowledge and consent, co-conspirator Jaramillo approached the
26 Orange County District Attorney to recommend that the District

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1 Attorney's Office charge co-conspirator Haidl's son as a juvenile
2 in his criminal rape case.

3 (57) In or about October 2002, defendants CARONA and
4 DEBORAH CARONA accepted luxury box Anaheim Angels's World Series
5 Tickets from Orange County businessmen.

6 (58) In or about December 2002, in connection with the
7 Referral Agreement, co-conspirator J.G.C. received a settlement
8 in the wrongful death suit for approximately \$340,000 for the
9 estate of a deceased Orange County Sheriff's Deputy, which was
10 shared with co-conspirators pursuant to the Referral Agreement.

11 (59) On or about December 19, 2002, defendant DEBORAH
12 CARONA and co-conspirator Jaramillo's wife accepted as gifts from
13 H.A., a businessman who owned a data mining software company,
14 yellow gold and diamond Ladies Cartier Watches worth
15 approximately \$15,000 each.

16 (60) On or about February 25, 2003, as Chairman of
17 CCCJ, defendant CARONA concealed and failed to disclose on his
18 Annual Year 2002 Statement of Economic Interests mailed to
19 Sacramento, California, cash payments and other benefits co-
20 conspirator Haidl and others had provided to defendant CARONA, as
21 well as his ownership of Entrade Stock.

22 (61) On or about March 17, 2003, as a member of the
23 Board of Directors of the 32nd Agricultural District, defendant
24 DEBORAH CARONA concealed and failed to disclose on her Annual
25 Year 2002 Statement of Economic Interests mailed to Sacramento,
26 California, among other things, the \$15,000 Ladies Cartier Watch.

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1 (62) On or about April 1, 2003, as Sheriff of Orange
2 County, defendant CARONA concealed and failed to disclose on his
3 Annual Year 2002 Statement of Economic Interests cash payments
4 and other benefits co-conspirator Haidl and others had provided
5 to defendant CARONA, as well as his ownership of Entrade Stock.

6 (63) On or about April 1, 2003, as a member of the
7 CCCJ, defendant HOFFMAN concealed and failed to disclose on her
8 Annual Year 2002 Statement of Economic Interests mailed to
9 Sacramento, California, the J-H Loan, and other benefits co-
10 conspirator Haidl had provided to her, as well as her ownership
11 interest in Bersagliere.

12 (64) On or about October 5, 2003, as a member of the
13 CCCJ, defendant HOFFMAN concealed and failed to disclose on her
14 Annual Year 2002 Statement of Economic Interests mailed to
15 Sacramento, California, the J-H Loan, and other benefits co-
16 conspirator Haidl had provided to her, as well as her ownership
17 interest in Bersagliere.

18 (65) In or about October 2003, defendant CARONA and
19 co-conspirator Jaramillo caused co-conspirator Haidl's son to
20 receive preferential treatment from the Orange County Sheriff's
21 Department in connection with a drug offense.

1 B. THE MAILINGS

2 19. On or about the dates listed below, within the Central
3 District of California, and elsewhere, defendants CARONA and
4 HOFFMAN, and their co-schemers, aiding and abetting each other,
5 for the purpose of executing the scheme and artifice to defraud,
6 and attempting to do so, knowingly and willfully caused the
7 following mail matter to be sent and delivered by the United
8 States Postal Service and private and commercial interstate
9 carriers, according to the directions thereon:

COUNT	DATE	MAIL MATTER	RECIPIENT
2	02/25/03	Annual Year 2002 Form 700 Statement of Economic Interests from defendant CARONA in Orange County, CA, as Chairman of the CCCJ	Fair Political Practices Commission, Sacramento, CA
3	03/17/03	Annual Year 2002 Form 700 Statement of Economic Interests from Deborah Carona in Orange County, CA, as a member of the Orange County Fair Board	California Department of Food and Agriculture, Sacramento, CA
4	04/01/03	Annual Year 2002 Form 700 Statement of Economic Interests from defendant HOFFMAN in Orange County, CA, as a member of the CCCJ	Fair Political Practices Commission, Sacramento, CA
5	10/05/03	Amended Annual Year 2002 Form 700 Statement of Economic Interests from Defendant HOFFMAN in Orange County, CA, as a member of the CCCJ	Fair Political Practices Commission, Sacramento, CA

COUNT SIX

[18 U.S.C. § 1512(b)(1)]

20. Paragraphs 1 through 15 of this Indictment are realleged and incorporated by reference as though fully set forth herein.

21. From on or about March 17, 2004, through on or about August 13, 2007, in Orange County, within the Central District of California, defendant CARONA knowingly and willfully did corruptly persuade and attempt to corruptly persuade Haidl, with intent to influence Haidl to testify falsely, and to prevent him from testifying truthfully, in an official proceeding, before members of a Federal Grand Jury investigating bribery, honest services fraud, and related offenses.

1 a. In form Schedule B, Personal Property, filed as an
2 attachment to the petition in the bankruptcy case, defendant
3 HOFFMAN declared and stated "none" when asked to describe and
4 identify the location of all "checking, savings or other
5 financial accounts, certificates of deposit, or shares in banks,
6 savings and loan, thrift, building and loan, and homestead
7 associations, or credit unions, brokerage houses, or
8 cooperatives." In truth and in fact, as defendant HOFFMAN well
9 knew at the time, this declaration and statement was false in
10 that defendant HOFFMAN possessed, owned, and had control over
11 undisclosed accounts, including the following: (i) Personal
12 checking account at Wells Fargo Bank held in the names of
13 defendant HOFFMAN and her mother; (ii) Business checking account
14 at Wells Fargo Bank held in the name of Law Office of Debra V.
15 Hoffman-Client Trust Account; and (iii) Personal savings and
16 checking accounts at Orange County's Credit Union held in the
17 name of defendant HOFFMAN.

18 b. In form Schedule B, Personal Property, filed as an
19 attachment to the petition in the bankruptcy case, defendant
20 HOFFMAN declared "none" when asked to describe and identify the
21 location of all "stock and interests in incorporated and
22 unincorporated businesses." In truth and in fact, as defendant
23 HOFFMAN well knew at the time, this declaration and statement was
24 false in that defendant HOFFMAN was the Chief Executive Officer,
25 Chief Financial Officer, and registered agent for Bersagliere, a
26 company she had incorporated, as well as the owner and sole-
27 proprietor of the Law Office of Debra V. Hoffman.

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1 c. In form Schedule F, Creditors Holding Unsecured
2 Nonpriority Claims, filed as an attachment to the petition in the
3 bankruptcy case, defendant HOFFMAN declared and stated forty-
4 eight creditors and the amount of their claims when asked to list
5 all creditors and provide, among other information, the
6 "Creditor's name and mailing address including zip code," the
7 "Date claim was incurred and consideration for claim," and the
8 "amount of claim." In truth and in fact, as defendant HOFFMAN
9 well knew at the time, this declaration and statement was false
10 in that defendant HOFFMAN failed to disclose a \$110,000 loan to
11 Jaramillo, Hoffman and Associates that had been arranged and
12 funded in 1998 by D.H. using First American Bank.

13 d. In form Schedule G, Executory Contracts and
14 Unexpired Leases, filed as an attachment to the petition in the
15 bankruptcy case, defendant HOFFMAN declared and stated "Auto
16 Nation Finance" and "Mercedes Benz Credit" when asked to disclose
17 all leases and contracts and provide the "name and mailing
18 address, including zip code, of other parties to lease or
19 contract" and to provide a "Description of contract or lease and
20 nature of debtor's interest. State whether lease is for
21 nonresidential real property. . . ." In truth and in fact, as
22 defendant HOFFMAN well knew at the time, this declaration and
23 statement was false in that defendant HOFFMAN failed to disclose
24 her nonresidential lease at 1621 E. 17th Street, Santa Ana,
25 California.

1 b. In the Statement of Financial Affairs, item 18,
2 Nature, Location and Name of Business, filed in the bankruptcy
3 case, defendant HOFFMAN declared and stated "Laguna Canyon
4 Woodwerks" and "Law Offices of Jaramillo, Hoffman & Associates"
5 when asked to "list the names, addresses, taxpayer identification
6 numbers, nature of the businesses, and the beginning and ending
7 dates of all businesses in which the debtor was an officer,
8 director, partner, or managing executive of a corporation,
9 partnership, sole proprietorship, or was a self-employed
10 professional within the six years immediately preceding the
11 commencement of this case" In truth and in fact, as
12 defendant HOFFMAN well knew at the time, this declaration and
13 statement was false in that defendant HOFFMAN failed to disclose
14 other businesses in which she served in the identified positions,
15 including the Law Office of Debra V. Hoffman and Bersagliere.

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