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**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	CR-S 99-0359 DFL
)	
v.)	
)	PLEA AGREEMENT
LARRY WILCOXSON,)	
)	
Defendants,)	
_____)	

**I.
INTRODUCTION**

A. Scope of Agreement: The Superseding Indictment in this case charges defendant Larry W. Wilcoxson with one felony count of conspiracy to commit securities fraud and to sell unregistered securities, in violation of 18 U.S.C. § 371, and 15 U.S.C. §§ 77q(a), 77e(a)(1), and 77x, ten counts of mail fraud in violation of 18 U.S.C. § 1341, one count of conspiracy to engage in monetary transactions in property derived from specified unlawful activity in violation of 18 U.S.C. § 1956(h), nineteen counts of engaging in monetary transactions in property derived from specified unlawful activity, and aiding and abetting, in violation of 18 U.S.C. §§ 1957 and 2, and one count of criminal forfeiture pursuant to 18 U.S.C. § 982(a)(1). This document contains the complete Plea Agreement between the United States Attorney's Office for the Eastern District of California (the "Government") and the defendant regarding this case. This Plea Agreement is limited to the United States Attorney's Office for the Eastern District of California and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities.

B. Charges: The six counts in the Superseding Indictment to which the defendant herein agrees to plead guilty each charge a violation of Section 1957 of Title 18, engaging in monetary transactions in property derived from specified unlawful activity, and has the following five elements: (1) that the defendant knowingly engaged in a monetary transaction in the United States, that is, deposited funds into a bank account, transferred funds from one bank account to another, or withdrew funds from a bank account, (2) that the defendant knew that the monetary transaction involved proceeds of some criminal offense, (3) that the value of the money in the transaction was greater than \$10,000, (4) that the money had in fact been derived from wire fraud, mail fraud, and/or securities fraud, and (5) that the monetary transaction was in, or in some way or degree affected, interstate commerce.

II. DEFENDANT'S OBLIGATIONS

A. Guilty Plea: The defendant will plead guilty to counts 20, 25, 32, 35, 36 and 37 in the Superseding Indictment. The defendant agrees that he is in fact guilty of those charges and that the facts set forth in the Factual Basis attached hereto as Exhibit A are accurate. The defendant also agrees that this Agreement shall be filed with the Court and will become part of the official record of this case.

B. Forfeiture: The defendant agrees to forfeit to the United States of America any right, title, and interest he may have in the following property:

(a) All U.S. currency, discovered and restrained on or about August 13, 1999, in the following accounts:

1. Bank of America account numbered 210342911, located at a branch in Las Vegas, Nevada, in the name of JRAM International Enterprises;

2. Bank of the West account numbered 1079- 125011163, located at a branch in Modesto, California, in the name of IFR Trust;

3. Wells Fargo account numbered 0047-553763, located at a branch in Modesto, California, in the name of C. William Gordin Accountancy Corp.;

4. Pacific State Bank accounts numbered 830710 (savings), and 2204040 (checking), located at a branch in Modesto, California, in the name of C. William Gordin Accountancy Corp.;

5. Union Bank of California account numbered 6353010371, located at a branch in Modesto, California, in the name of C. William Gordin Accountancy Corp. Trust Account;

(b) U.S. currency in the amount of \$32,000, in Union Bank of California account numbered 350005305, located at a branch in Modesto, California, in the name of Albaugh Land & Cattle;

(c) Real property in the name of Albaugh Land & Cattle, together with all improvements and appurtenances thereon located at Twenty Six Mile Road in Oakdale, California, assessor's parcel numbers 002-59-04, and 002-12-63;

(d) Net proceeds of the sale of one 1999 Chevrolet, 4-door, registered to Roxanne Albaugh, VIN #1GNEK13R7XJ445332, bearing California license plate 4ENX243, sold pursuant to Stipulation and Order filed November 4, 1999;

(e) Net proceeds of the sale of the following vehicles, each registered to Roxanne Albaugh and Albaugh Land & Cattle, sold pursuant to Stipulation and Order filed November 4, 1999:

1. One 1999 Chevrolet, VIN # 1GBHC34R4XF035429, bearing California license plate 5Y45177, including its tools and appurtenances;

2. One 1999 Chevrolet, VIN # 1GBHC34R0XF034021, bearing California license plate 5Y45178, including its tools and appurtenances;

3. One 1999 Chevrolet, VIN # 1GNEK13R9XJ440486, bearing California license plate 4EOK910, including its tools and appurtenances;
4. One 1999 Chevrolet, VIN # 2GCEK19T3X1170788, bearing California license plate 5Z00124, including its tools and appurtenances; and
5. One 1999 Chevrolet, VIN # 1GNEK13R0XJ441266, bearing California license plate 4EOK912, including its tools and appurtenances.

(f) One 1999 Lexus RX300, bronze in color, registered to Stan R. Wilcoxson, VIN #JT6HF10U9X0088512, bearing California license plate 4GSM106, including its tools and appurtenances;

(g) The following Notes Secured by Deeds of Trusts, the Deeds of Trust with Assignment of Rents, and all rights, title and interests secured thereby:

1. A Note to Larry Wilcoxson, from Bambi L. Marquez, for \$20,000, due March 1, 2002, secured by real property located in Modesto, California;
2. A Note to IFR Trust, from Raymond Lee, for \$40,000, due June 26, 2002, secured by real property in San Joaquin County, consisting of three parcels in Manteca, California;
3. A Note to JRAM International Enterprises, from Seven-to-One Construction, Inc., for \$120,000, due April 6, 2000, secured by real property in Tulare County, California, assessor's parcel # 169-320-091;
4. A Note to JRAM International Enterprises, from Seven-to-One Construction, Inc., for \$120,000, due May 17, 2000, secured by real property in Tulare County, California, assessor's parcel # 169-320-084;
5. A Note to JRAM International Enterprises, from Seven-to-One Construction, Inc., for \$120,000, due June 17, 2000, secured by real property in Tulare County, California, assessor's parcel # 169-320-086;
6. A Note to JRAM International Enterprises, from Seven-to-One Construction, Inc., for \$120,000, due July 23, 2000, secured by real property in Tulare County, California, assessor's parcel # 169-320-004;
7. A Note to JRAM International Enterprises, from Seven-to-One Construction, Inc., for \$120,000, due in May, 2000, secured by real property in Tulare County, California, assessor's parcel # 169-320-031;
8. A Note to JRAM International Enterprises, from Seven-to-One Construction, Inc., for \$120,000, due in June, 2000, secured by real property in Tulare County, California, assessor's parcel # 169-320-085;
9. A Note to JRAM International Enterprises, from Gilton's Family Ranch, LP, for \$380,000, due in May, 2000, secured by real property in Tulare County, California, assessor's parcel # 126-020-017;
10. A Note to Sundial Financial Services, from Gary J. Lash and Deanna L. Lash, for \$100,000, due July 20, 2014, secured by real property in Ripon, California;

11. A Note to Sundial Financial Services, from Carl L. Jackson, for \$30,000, due August 3, 2000, secured by real property at 735 Calmar Ave., Oakland, California;

12. A Note to Sundial Financial Services, from Robert John Blackstar, for \$20,000, due February 1, 2002, secured by real property in Riverbank, California; and

13. A Note to Sundial Financial Services, from John Shearer, for \$156,000, due May 20, 2002, secured by real property in Stanislaus County, California, assessor's parcel # 052-55-69-101.

(h) One Lo Profile Orchard tractor (engine #U6399788 & serial #F19236);

(i) One Massey Ferguson loader;

(j) Two field booms with swivels (serial #M7436 & M7437);

(k) One Strathmore 9-foot disk harrow with 24" blades (serial #L9637);

(l) Five All Terrain Vehicles (ATV), as follows: (1) Honda model TRX300FWLX, engine #91215484, frame #100698; (2) Honda model TRX300FWL, engine E9121756, frame #100709; (3) Honda model TRX300FWLX, engine #9121911, frame #100570; (4) Honda model TRX300FWLX, engine #9121560, frame #100685; (5) Honda model EM5000SXX1, VIN: EA71159899, including each ATV's tools and appurtenances;

(m) Three All Terrain Vehicle ramps;

(n) One D-6 Caterpillar tractor;

(o) Approximately \$126,548.00 in U.S. currency, remitted by defendant John R. Witzke to the Government, and placed on deposit with the Clerk of the U.S. District Court on June 2, 2000;

(p) Approximately \$500,000 in a bank account in Samoa in the name of World Cultural Center;

(q) A sum of money equal to the total sums involved in the violations set forth in Counts 20, 25, 32, 35, 36 and 37 of the Superseding Indictment, to wit, \$7,195,000.

Defendant agrees that he will not directly or indirectly contest, nor directly or indirectly aid or assist any other person or entity in contesting, the forfeiture of the above-listed assets to the United States, in his individual capacity or on behalf of any of the following entities:

1. IFR Trust
2. IFR Ltd.
3. Integrated Financial Resources,
4. JRAM International Enterprises
5. Sundial Financial Services
6. Blue Grass Nut Farm

7. Albaugh Land & Cattle Corp.

8. Smith Technology Development, LLC

The defendant further agrees to surrender his custody, possession and control of all of the above-listed assets not already in the Government's custody, to the Federal Bureau of Investigation, Internal Revenue Service, U.S. Marshals Service or any receiver, trustee, and/or other entity that the Court may appoint pursuant to 21 U.S.C. § 853(g), as incorporated by 18 U.S.C. § 982(b)(1), at or subsequent to the time this plea agreement is entered by the Court, or at any other date and time designated by the Government.

The defendant further agrees to fully cooperate with the U.S. Marshals Service or any receiver, trustee and/or other entity that the Court may appoint pursuant to 21 U.S.C. § 853(g), as incorporated by 18 U.S.C. § 982(b)(1), with the collecting, marshaling, or maintaining of custody, possession and control of the above-listed assets, or with the liquidation of such assets.

The defendant also agrees to execute any documents required to effectuate this agreement to forfeit the above-listed assets to the government. The defendant also agrees to prevent disbursement of any money, property, or assets derived from unlawful activities, if said disbursements are within the defendant's direct or indirect custody or control.

C. Fine: The Government agrees to recommend a fine at the low end of the final applicable guideline sentencing range.

D. Disclaimer of Interest: Defendant Wilcoxson agrees to, and hereby does, disclaim all right, title and interest in the assets of IFR Trust, Integrated Financial Resources, JRAM International Enterprises, Blue Grass Nut Farms, Albaugh Land & Cattle, and of any entity controlled or affiliated with such entities.

E. Special Assessment: The defendant agrees to pay a special assessment of \$600 at the time of sentencing by delivering a check or money order payable to the United States District Court to the United States Probation Office immediately before the sentencing hearing.

F. Agreement to Cooperate: The defendant agrees to cooperate fully with the Government with respect to the investigation and prosecution of federal offenses in the Eastern District of California and elsewhere, and with other federal and state agencies at the direction of the Government, including other U.S. Attorney's Offices, the FBI, and the Securities and Exchange Commission.

(1) What Cooperation Entails: As used in this Plea Agreement, "cooperation" requires the defendant to: (a) respond truthfully and completely to all questions, whether in interviews, correspondence, telephone conversations, before a grand jury, or at any trial or other court proceeding; (b) never falsely inculcate or exculpate anyone; (c) attend all meetings, grand jury sessions, trials and other proceedings at which his presence is requested by the Government or compelled by subpoena or court order whether in California or elsewhere; (d) produce voluntarily all documents, records or other tangible evidence the Government requests; (e) review documents as requested; (f) not participate in any criminal activity while cooperating; and (g) fully disclose the existence, location and status of all money, property, or other assets of any kind, which were generated, acquired, or obtained by or on behalf of himself, his codefendants and associates as a result of the conduct charged in the Superseding Indictment and related conduct.

(2) Violation of the Plea Agreement: Should the defendant commit any crimes, or if any of his statements or testimony proves to be knowingly false, misleading, or materially incomplete, or if he otherwise violates this Plea Agreement, the Government will no longer be bound by its representations concerning the limits on criminal prosecution and sentencing set forth herein. Whether the defendant has violated the Plea Agreement will be determined under a preponderance of the evidence standard.

If the defendant violates this Plea Agreement, he will then be subject to prosecution for any federal crime the Government knows about, including, but not limited to, perjury, false statements, and obstruction of justice. Because disclosure under this Plea Agreement will constitute a waiver of the Fifth Amendment privilege against compulsory self-incrimination, any such prosecution may be premised on statements and information the defendant provided.

Moreover, any prosecutions not time-barred by any statute of limitations as of the date of this Plea Agreement may be commenced in accordance with this paragraph, notwithstanding that the statute of limitations may expire between the signing of this Plea Agreement and the commencement of any such prosecutions. The defendant agrees to waive all defenses based on the statute of limitations or delay of prosecution with respect to any prosecutions that are not time-barred as of the date of this Plea Agreement.

If the defendant is determined to have violated any provision of this Plea Agreement: (a) all statements he made to the Government or other designated law enforcement agents during his cooperation pursuant to this Agreement, or any testimony he gave before the grand jury or other tribunal, shall be admissible in evidence in any criminal, civil, or administrative proceedings hereafter brought against him; and (b) he shall assert no claim under the U.S. Constitution, any statute, Rule 11(e)(6) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule, that such statements made by the defendant (before or after executing this Plea Agreement), or any leads derived therefrom, should be suppressed. By signing this Plea Agreement, the defendant waives any and all rights in the foregoing respects.

(3) Fruits of Cooperation Not Used Against Defendant: The parties agree that, under Rule 11(e)(6) of the Federal Rules of Criminal Procedure and section 1B1.8 of the U.S. Sentencing Guidelines, any information the defendant provides during his cooperation which tends to incriminate him will not be used against him, nor will it be used to determine the applicable guideline range for his offense (nor to justify an upward departure in his sentence), if he has not violated this Plea Agreement.

III. THE GOVERNMENT'S OBLIGATIONS

In exchange for the defendant's prompt plea of guilty to counts 20, 25, 32, 35, 36 and 37 in the Superseding Indictment, the Government agrees to (a) dismiss all the remaining charges in the Indictment and Superseding Indictment as to defendant Wilcoxson, (b) to dismiss all charges in the Indictment and Superseding Indictment as to defendant Albaugh, and (c) not to prosecute defendant Wilcoxson's spouse Roxanne Albaugh, his son Owen Wilcoxson, or his parents, for any offense arising out of or relating to the facts and circumstances set forth in the Indictment and Superseding Indictment. In addition, if the defendant forthrightly admits the conduct for which he is pleading guilty, demonstrates acceptance of responsibility, and is truthful and cooperative with the Court and the Probation Officer throughout the sentencing process, the Government will recommend the following: (d) that the defendant receive a three level reduction in his offense level for acceptance of responsibility pursuant to USSG §3E1.1, and (e) that the defendant be sentenced at the low end of the applicable guideline sentencing range. In addition, the Government may, in its discretion, file a motion seeking a reduction of the defendant's sentence pursuant to USSG §5K1.1, to reflect the nature, quality and extent of the defendant's cooperation as set forth above.

IV. MAXIMUM SENTENCE

A. Maximum Penalty: Each offense of engaging in monetary transactions in property derived from specified unlawful activity to which the defendant is agreeing to plead guilty is a felony violation of 18 U.S.C. § 1957. The maximum sentence which the Court can impose for each violation of the statute is ten years in prison, a three year period of supervised release, a fine of \$250,000, and a special assessment of \$100.

B. Violations of Supervised Release: The defendant understands and agrees that if she violates a condition of supervised release at any time during the term of supervised release, the Court may revoke the term of supervised release and require the defendant to serve up to two additional years imprisonment.

V. SENTENCING DETERMINATION

A. Statutory Authority: The defendant understands that a sentencing guideline range for this case will be determined by the Court pursuant to the Sentencing Reform Act of 1984 (18 U.S.C. §§ 3551-3742 and 28 U.S.C. §§ 991-998). The defendant further understands that the Court will impose a sentence within that guideline range, unless the Court finds that there is a basis for departure (either above or below the range) because there exists an aggravating

or mitigating circumstance of a kind, or to a degree, not adequately taken into consideration by the Sentencing Commission in formulating the guidelines.

B. Stipulations Affecting Guidelines Calculation: The Government and the defendant agree that there is no material dispute as to the following guideline variables and therefore stipulate to the following:

1. Applicable Guideline and Base Offense Level: The applicable guideline is USSG §2S1.2, and pursuant to USSG §2S1.2(a), the base offense level is 17.

2. Specific Offense Characteristics: The base offense level should be increased by two levels because the defendant knew that the funds were the proceeds of specified unlawful activity, that is, wire fraud, mail fraud and securities fraud. USSG §2S1.2(b)(1)(B). The offense level should be increased by a further ten levels because the value of the funds laundered exceeded \$20 million but was not more than \$35 million. USSG §2S1.2(b)(2), §2S1.1(b)(2)(K).

3. Role in the Offense Adjustment: The Government and the defendant agree that the offense level should be increased a further four levels because the defendant was an organizer and leader of a criminal activity that involved five or more participants or was otherwise extensive. USSG §3B1.1(a).

4. Acceptance of Responsibility: The Government and the defendant agree that, so long as the defendant forthrightly admits the conduct for which he is pleading guilty, demonstrates acceptance of responsibility, and is truthful and cooperative with the Court and the Probation Officer throughout the sentencing process, the defendant is entitled to a three level reduction in his offense level for acceptance of responsibility pursuant to USSG §3E1.1.

5. Additional Offense Level Adjustments: The Government and the defendant agree that, other than the adjustments and specific offense characteristics to which the parties have agreed, no adjustments in the offense level or specific offense characteristics under the sentencing guidelines are applicable in this case.

6. Total Adjusted Offense Level: Pursuant to the foregoing stipulations, the total adjusted offense level should be a level 30.

7. Criminal History: The parties agree that the defendant is a criminal history category is I.

8. Guideline Range: Based on a criminal history category I and a total adjusted offense level of 30, the appropriate guideline sentencing range is 97-121 months in prison.

9. Departures: The Government agrees not to seek an upward departure, and the defendant agrees not to seek a downward departure at sentencing.

VI. WAIVERS

A. Trial Rights: The defendant understands that by pleading guilty he is waiving the following constitutional rights: (a) to plead not guilty and to persist in that plea if already made; (b) to be tried by a jury; (c) to be assisted at trial by an attorney, who would be appointed if necessary; (d) to confront and cross-examine witnesses against him; (e) to summon witnesses to testify in his defense; and (f) not to be compelled to incriminate himself.

B. Waiver of Appeal and Collateral Attack: Pursuant to This Plea Agreement, the defendant waives the right to appeal or otherwise collaterally attack his guilty plea whether by way of a motion pursuant to 28 U.S.C. § 2255 or otherwise. In addition, the defendant waives the right to appeal or otherwise collaterally attack his sentence, whether by way of a motion pursuant to 28 U.S.C. § 2255 or otherwise, if he receives a sentence in a guideline range no higher than the range as determined by the foregoing stipulations relating to sentencing guideline variables.

C. Waiver of Attorneys' Fees and Costs: The defendant agrees to waive all rights under the "Hyde Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), to recover attorneys' fees or other litigation expenses in

connection with the investigation and prosecution of all charges in the above-captioned matter and of any related allegations.

**VII.
ENTIRE PLEA AGREEMENT**

Other than this Plea Agreement, no agreement, understanding, promise, or condition between the Government and the defendant exists, nor will such agreement, understanding, promise, or condition exist unless it is committed to writing and signed by the defendant, counsel for the defendant, and counsel for the United States.

**VIII.
APPROVALS AND SIGNATURES**

A. Defense Counsel: I have read this Plea Agreement including Exhibit A hereto, and have discussed it fully with my client. The Plea Agreement accurately and completely sets forth the entirety of the agreement. I concur in my client's decision to plead guilty as set forth in this Agreement.

DATED: October, 5 2000

<signed>

MALCOLM SEGAL
Attorney for Defendant Wilcoxson

B. Defendant: I have read this Plea Agreement including Exhibit A hereto, and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Further, I have consulted with my attorney and fully understand my rights with respect to the provisions of the Sentencing Guidelines which may apply to my case. No other promises or inducements have been made to me, other than those contained in this Agreement. In addition, no one has threatened or forced me in any way to enter into this Plea Agreement. Finally, I am satisfied with the representation of my attorney in this case.

DATED: October 5, 2000

<signed>

LARRY W. WILCOXSON
Defendant

C. Attorney for United States:

I accept and agree to this Plea Agreement on behalf of the Government.

DATED: October 5, 2000

PAUL L. SEAVE
United States Attorney

<signed>

By:_____
BENJAMIN B. WAGNER
Assistant U.S. Attorney

EXHIBIT A
IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	CR-S 99-0359 DFL
)	
v.)	
)	
LARRY WILCOXSON,)	FACTUAL BASIS FOR
)	PLEA OF GUILTY
Defendants,)	
_____)	

The defendant and the Government agree that the following is an accurate description of the factual basis for the defendant's plea of guilty to counts 20, 25, 32, 35, 36 and 37 in the Superseding Indictment, charging the defendant with six counts of engaging in monetary transactions in property derived from specified unlawful activity, and aiding and abetting, felony violations of Title 18, United States Code, Sections 1957 and 2:

1. At all times relevant to the conduct alleged in the Superseding Indictment, defendant Larry W. Wilcoxson lived and worked in the Modesto, California area. Beginning no later than approximately November 1997, Wilcoxson devised a plan to defraud investors by soliciting investments for a high yield trading program that supposedly involved profits generated through the purchase and sale of notes in an exclusive European financial market. Wilcoxson devised the plan. Wilcoxson solicited investors through an entity he controlled, called IFR Trust.

2. Wilcoxson rapidly expanded the investment scheme, in which he offered investors a guaranteed return of 8% per year, but represented to them that they were likely to receive profits on the order of 50% per month. He represented to the investors that the program was safe and fully secured by a \$100 million letter of credit issued by Zenith Insurance, Ltd., which he implied was a major insurance company.

3. Wilcoxson created several entities for the purpose of marketing the program, including IFR Trust, IFR Ltd., and JRAM International Enterprises. Wilcoxson was General Manager of IFR Trust, and Chairman and Vice President of JRAM International Enterprises. He also recruited numerous individuals to assist him in soliciting investors, including David Baxter, John Witzke and Velton Rogers. He eventually developed a national and even international network of referral agents who, for a fee, would refer investors to IFR Trust. Wilcoxson and others marketed the investment program in the Eastern District of California and elsewhere, through IFR Trust, through the sale of IFR Trust "Promissory Notes" to investors.

4. From 1997 through the summer of 1999, in the course of marketing the IFR Trust notes, Wilcoxson made numerous statements to potential investors, and provided information to others for their use in making statements to potential investors, which Wilcoxson had no reason to believe were true. Among the false statements Wilcoxson made to potential investors, and which he instructed others to make to potential investors, were the implied representations that Wilcoxson had years of experience with such programs and that the IFR Trust program had been highly successful, and that the investments would be safe and fully secured. In fact, Wilcoxson knew that his previous investment efforts in a purportedly similar program had failed, that IFR Trust had not received any profits from any European trading program, and that the Zenith letter of credit supposedly securing the notes was not backed by a major insurance company with \$100,000,000. Such false statements were made with the intent of inducing investors to purchase the securities.

5. The IFR Trust notes constituted securities as defined in Title 15 of the U.S. Code. Wilcoxson knew that there was no registration statement on file with the U.S. Securities and Exchange Commission as to such securities.

6. Wilcoxson used the mails and interstate wire communications to further the scheme to defraud, by using the mails and interstate wire communications to communicate with referral agents, attract investors, market the securities, and collect funds from investors in connection with the sale of the securities.

7. Once investors had provided funds to IFR Trust for investment, Wilcoxson caused account statements to be sent to the investors, which represented that the investors were earning approximately 50% per month on their investments. In fact, as Wilcoxson knew, no such profits were being received from any European trading program. Those investors who insisted on withdrawing their investments, or withdrawing "profits", were told that they were receiving profits from the high yield trading program. In fact, they were paid from funds previously invested by the investors.

8. Wilcoxson opened numerous bank accounts to handle funds received from the investors. The accounts, in the Eastern District of California, in Las Vegas, Nevada, and in the Bahamas, were opened in the names of Integrated Financial Resources, IFR Trust, IFR Ltd., JRAM International Enterprises, and C. William Gordin Accountancy Corp. Wilcoxson, with the assistance of others, used the accounts to pool investor funds, to divert those funds for various other purposes, and to make payments to investors. The funds in those accounts constituted the proceeds of the mail fraud, wire fraud and securities fraud offenses described above. Wilcoxson knew that the funds in those accounts constituted the proceeds of criminal activity involving fraud.

9. Wilcoxson used some of the investor funds which had been obtained through the investment fraud scheme described above for various purposes, including the purchase of real estate in Stanislaus County, California, the purchase of agricultural improvements to such property, the purchase of farm machinery and equipment, and the purchase of vehicles for him and his family members. Such investments were frequently made through Blue Grass Nut Farm and Albaugh Land & Cattle, entities he controlled. He also used investor funds to make loans to various domestic financial projects unrelated to any European high yield trading program. Such loans were made through Sundial Financial Services, an entity Wilcoxson incorporated, and to Smith Technology Development, LLC, an entity in which Wilcoxson invested IFR funds through JRAM International Enterprises. IFR funds were loaned to other entities which lent money to companies including Titan Mining, LLC.

10. Wilcoxson used investor funds in the bank accounts described above to engage in numerous monetary transactions through financial institutions. Many of those transactions, totaling at least \$20 million but not more than \$35 million, were each in excess of \$10,000. Among the transactions were the following:

(A) On or about October 13, 1998, Wilcoxson caused a wire transfer of \$350,000 from an IFR Trust account at Bank of the West in Modesto, California, to a bank account in Massachusetts.

(B) On or about February 23, 1999, Wilcoxson caused the deposit into a First American Title escrow account in Modesto, California, of a \$250,000 check written by Wilcoxson on the JRAM bank account at Bank of America in Las Vegas, Nevada.

(C) On or about May 12, 1999, Wilcoxson issued a check for \$295,000, on the JRAM bank account at Bank of America in Las Vegas, Nevada, payable to Sundial Financial Services.

(D) On or about June 4, 1999, Wilcoxson issued a check for \$300,000, on the JRAM account at Bank of America in Las Vegas, Nevada, payable to Sundial Financial Services.

(E) On or about July 8, 1999, Wilcoxson wire transferred \$4 million from the JRAM account at Bank of America in Las Vegas, Nevada, to an account at Wells Fargo Bank in Modesto, California.

(F) On or about July 22, 1999, Wilcoxson wire transferred \$2 million from the JRAM account at Bank of America in Las Vegas, Nevada, to an account at Wells Fargo Bank in Modesto, California.

Each of the six transactions set forth above occurred at least in part in the Eastern District of California. Each of them in some way or degree affected interstate commerce.

11. In the summer of 1999, Wilcoxson planned to shift the operation of the fraud scheme to David Baxter in Britain. He assisted David Baxter in contacting IFR Trust clients, and in attempting to defraud new and existing clients into providing funds to Baxter.

12. If the case were to proceed to trial, the Government would prove the foregoing through the testimony of investigating FBI and IRS Criminal Investigation Division Special Agents; the testimony of an FBI undercover agent; the testimony of IFR Trust investors; the testimony of John Witzke and C. William Gordin; the testimony of other agents who marketed the investment program; the testimony of bank employees, accountants and other witnesses; the defendant's own statement; documents including copies of IFR Trust promissory notes; copies of correspondence, memoranda, forms and other documents; telephone toll records; bank account and bank wire transfer records; checks, compilations of bank data, and other evidence.
