

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  
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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

10  
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.

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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.

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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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49

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 \$5,000,000<sup>000</sup> from the Tribe, in  
16 violation of Title 18, United States Code, Section 1001(a).  
17

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).

2  
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).

12  
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 <sup>FIFTY<sup>th</sup> LB</sup>  
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]*  
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**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)