

1 BENJAMIN B. WAGNER  
United States Attorney  
2 GRANT B. RABENN  
MEGAN A. S. RICHARDS  
3 Assistant United States Attorneys  
2500 Tulare Street, Suite 4401  
4 Fresno, CA 93721  
Telephone: (559) 497-4000  
5 Facsimile: (559) 497-4099

**FILED**

SEP 26 2013

CLERK, U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA  
BY M. VERDUZCO  
DEPUTY CLERK

6 Attorneys for the  
7 United States of America

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

11 UNITED STATES OF AMERICA,  
12  
13 Plaintiff,  
v.

CASE NO. 1:13 CR 00362 AWI BAM

VIOLATIONS: 18 U.S.C. § 286 – CONSPIRACY  
TO DEFRAUD; 18 U.S.C. § 287 – FALSE CLAIMS  
AGAINST THE UNITED STATES (15 COUNTS)

14 GAYLENE LYNNETTE BOLANOS,  
OSWALD GEORGNER,  
15 LEROY DONOVAN COMBS,  
CHARLES WAYNE UPTERGROVE,  
16 LADONNA LEE MOON,  
RODNEY EDWIN MOON,  
17 LOUIE CALLES, and  
JAMES KARAM SCHWARTZ,  
18  
19 Defendants.

20  
21 INDICTMENT

22 The Grand Jury charges that at all times pertinent to this indictment:

- 23 1. Defendant GAYLENE LYNNETTE BOLANOS resided in Fresno, in the State and  
24 Eastern District of California.  
25 2. Defendant OSWALD GEORGNER resided in Fresno, in the State and Eastern District of  
26 California.  
27 3. Defendant LEROY DONOVAN COMBS resided in Fresno, in the State and Eastern  
28 District of California.

1 4. Defendant CHARLES WAYNE UPTERGROVE resided in Chowchilla, in the State and  
2 Eastern District of California.

3 5. Defendants RODNEY EDWIN MOON and LADONNA LEE MOON resided in Sparks,  
4 in the State and District of Nevada. RODNEY EDWIN MOON and LADONNA LEE MOON were  
5 married to each other.

6 6. Defendant LOUIE CALLES resided in Fresno, in the State and Eastern District of  
7 California.

8 7. Defendant JAMES KARAM SCHWARTZ resided in Fresno, in the State and Eastern  
9 District of California.

10  
11 COUNT ONE: [18 U.S.C. § 286 – Conspiracy to Defraud]

12 The Grand Jury charges:

13 GAYLENE LYNNETTE BOLANOS, and  
14 OSWALD GEORGNER,

15 defendants herein, as follows:

16 A. INTRODUCTION

17 8. The allegations in paragraphs 1 through 7 are re-alleged and incorporated by reference.

18 9. Internal Revenue Service (“IRS”) Forms 1099 were used to report, among other things,  
19 interest income and associated withholding to the IRS and are typically issued by employers or other  
20 payers such as banks. Original Issue Discount (“OID”) income is a form of interest income typically  
21 realized on debt instruments that were issued at a discount to or purchased for less than the ultimate  
22 redemption value of the debt instrument, such as Treasury bills (but not U.S. savings bonds), zero-  
23 coupon bonds, and other debt instruments that pay no stated interest until maturity.

24 10. Individual taxpayers use U.S. Individual Income Tax Return Form 1040, with attached  
25 Schedule B, and U.S. Individual Income Tax Return Form 1040A, with attached Schedule 1, to report  
26 income, including OID taxable interest, and any associated withholding, to the IRS.

27 11. The IRS was and is an agency of the United States Department of the Treasury  
28 responsible for administering and enforcing the tax laws of the United States of America.

1  
2  
3 B. OBJECT OF THE CONSPIRACY

4 12. Beginning on or before August 2008, and continuing until at least October 16, 2008, in  
5 the State and Eastern District of California, and elsewhere, defendants GAYLENE LYNNETTE  
6 BOLANOS and OSWALD GEORGNER, with others known and unknown to the Grand Jury, agreed,  
7 combined, and conspired with each other to defraud the United States by obtaining, and aiding,  
8 counseling, commanding, inducing, and procuring to obtain, the payment and allowance of false,  
9 fictitious, and fraudulent claims for themselves and others by submitting false claims for income tax  
10 refunds to the U.S. Treasury through the IRS.

11 12. Defendants GAYLENE LYNNETTE BOLANOS and OSWALD GEORGNER caused at  
12 least nineteen false income tax returns to be filed with the IRS in furtherance of the conspiracy.

13 13. The nineteen returns prepared or aided by defendants GAYLENE LYNNETTE  
14 BOLANOS and OSWALD GEORGNER claimed more than \$32 million in false, fictitious, and  
15 fraudulent federal income tax refunds.

16 C. MANNER AND MEANS

17 15. Defendants GAYLENE LYNNETTE BOLANOS and OSWALD GEORGNER recruited  
18 clients, including taxpayers LEROY DONOVAN COMBS, CHARLES WAYNE UPTERGROVE,  
19 LADONNA LEE MOON, RODNEY EDWIN MOON, LOUIE CALLES, and JAMES KARAM  
20 SCHWARTZ, for their tax fraud scheme by falsely representing to them that they could eliminate their  
21 debts and legally receive sizable tax refunds by submitting tax returns with IRS Forms 1099-OID.

22 16. Defendants GAYLENE LYNNETTE BOLANOS and OSWALD GEORGNER required  
23 that each scheme participant provide specific paperwork, including but not limited to, credit reports,  
24 credit card bills, bank statements, utilities bills, mortgage statements, and filed tax returns.

25 17. Defendants GAYLENE LYNNETTE BOLANOS and OSWALD GEORGNER required  
26 that scheme participants pay them for their services, typically ten or more percent of the participant's  
27 fraudulently-obtained refund.

28 18. For the 2007 tax year, defendants GAYLENE LYNNETTE BOLANOS and OSWALD  
GEORGNER prepared, or caused to be prepared, and filed, or caused to be filed, with the IRS,  
fraudulent tax returns for themselves and the participants they recruited.

1           19.     These returns were fraudulent in that they falsely reported on Forms 1040 and 1040A and  
2 attached Schedules B and I that the taxpayer's total outstanding debt (including mortgage debt, credit  
3 limits from credit cards, student loans, auto loans and other debt) was actually interest income that the  
4 taxpayer had received from the lender. These returns also falsely reported that all of that interest income  
5 had been withheld by the IRS, and that the taxpayer was therefore entitled to a resulting tax refund.

6           20.     Defendants GAYLENE LYNNETTE BOLANOS and OSWALD GEORGNER and  
7 taxpayers LEROY DONOVAN COMBS, CHARLES WAYNE UPTERGROVE, LADONNA LEE  
8 MOON, RODNEY EDWIN MOON, LOUIE CALLES, and JAMES KARAM SCHWARTZ knew that  
9 the claims submitted by BOLANOS and GEORGNER were false, fictitious, and fraudulent, and that  
10 they were not entitled to the refunds claimed.

11           21.     On or about the dates listed below, defendants GAYLENE LYNNETTE BOLANOS and  
12 OSWALD GEORGNER, and others known and unknown to the Grand Jury, prepared and electronically  
13 transmitted U.S. Individual Income Tax Returns, Forms 1040 and 1040A, with attached Schedules B or  
14 I, as set forth below, reporting fictitious interest income and tax withholdings for the 2007 tax year, and  
15 claiming a substantial refund for the taxpayer, knowing that the claims were false, fictitious, and  
16 fraudulent in that the named individuals were not entitled to the refund requested:

TAXPAYER NAME	DATE RECEIVED	FORM NUMBER	TAX YEAR	CLAIMED
L.W. & B.W.	8/13/2008	1040	2007	\$97,642
Fernando & Gaylene Bolanos	10/6/2008	1040	2007	\$1,914,757
W.M.	10/6/2008	1040A	2007	\$9,723
J.W. & D.W.	10/8/2008	1040	2007	\$223,494
B.M. & K.M.	10/9/2008	1040	2007	\$2,155,524
Oswald Georgner.	10/9/2008	1040A	2007	\$79,113
P.G. & B.G.	10/10/2008	1040	2007	\$664,267
D.G.	10/14/2008	1040A	2007	\$65,958
G.L. & K.L.	10/14/2008	1040	2007	\$6,315,437

1	D.E. & J.R.	10/14/2008	1040	2007	\$1,413,019
2	James Schwartz	10/14/2008	1040	2007	\$125,886
3	Louie Calles	10/14/2008	1040	2007	\$389,297
4	T.C.	10/15/2008	1040	2007	\$1,192,578
5	Charles Wayne Uptergrove & M.U.	10/15/2008	1040	2007	\$6,282,095
6	B.W.	10/16/2008	1040	2007	\$862,590
7	D.S.	10/16/2008	1040	2007	\$560,452
8	Rodney & Ladonna Moon	10/16/2008	1040	2007	\$1,454,349
9	P.W.	10/16/2008	1040	2007	\$2,591,475
10	Leroy Donovan Combs	10/16/2008	1040	2007	\$6,494,829

11  
12 All in violation of Title 18, United States Code, Section 286.

13  
14 COUNTS TWO THROUGH SIXTEEN: [18 U.S.C. § 287 – False Claims Against the U.S.]

15 The Grand Jury further charges:

16 GAYLENE LYNNETTE BOLANOS,  
17 OSWALD GEORGNER,  
18 LEROY DONOVAN COMBS,  
19 CHARLES WAYNE UPTERGROVE,  
20 LADONNA LEE MOON,  
21 RODNEY EDWIN MOON,  
22 LOUIE CALLES, and  
23 JAMES KARAM SCHWARTZ,

24 22. Paragraphs 1 through 7 and 9 through 21 are incorporated herein by reference as if set  
25 forth in full.

26 23. On or about the dates set forth below, in the State and Eastern District of California, and  
27 elsewhere, defendants GAYLENE LYNNETTE BOLANOS, OSWALD GEORGNER, LEROY  
28 DONOVAN COMBS, CHARLES WAYNE UPTERGROVE, LADONNA LEE MOON, RODNEY  
EDWIN MOON, LOUIE CALLES, and JAMES KARAM SCHWARTZ, with others known and  
unknown to the Grand Jury, made and presented the claims set forth below to the United States,  
Department of Treasury, Internal Revenue Service, for payment of fraudulent tax refunds in the amounts

1 set forth below, with knowledge that the claims were false, fictitious and fraudulent. Defendants  
 2 GAYLENE LYNNETTE BOLANOS, OSWALD GEORGNER, LEROY DONOVAN COMBS,  
 3 CHARLES WAYNE UPTERGROVE, LADONNA LEE MOON, RODNEY EDWIN MOON, LOUIE  
 4 CALLES, and JAMES KARAM SCHWARTZ made the false claims by preparing and causing to be  
 5 prepared, and presenting and causing to be presented, and aiding and abetting others to prepare and  
 6 cause to be presented, to the IRS, U.S. Individual Income Tax Returns, Forms 1040 and 1040A, as set  
 7 forth below, with attached Schedules B or 1, reporting fictitious interest income and tax withholdings for  
 8 the 2007 tax year, and claiming a substantial refund, knowing that the claims were false, fictitious, and  
 9 fraudulent in that the named individuals below were not entitled to the refund requested:

COUNT	TAXPAYER NAME	DATE RECEIVED	FORM NUMBER	TAX YEAR	CLAIMED	DEFENDANT(S)
<u>TWO</u>	F.B. & Gaylene Lynnette Bolanos	10/6/2008	1040	2007	\$1,914,757	BOLANOS
<u>THREE</u>	J.W. & D.W.	10/8/2008	1040	2007	\$223,494	BOLANOS GEORGNER
<u>FOUR</u>	B.M. & K.M.	10/9/2008	1040	2007	\$2,155,524	BOLANOS
<u>FIVE</u>	Oswald Georgner	10/9/2008	1040A	2007	\$79,113	GEORGNER
<u>SIX</u>	P.G. & B.G.	10/10/2008	1040	2007	\$664,267	BOLANOS
<u>SEVEN</u>	G.L. & K.L.	10/14/2008	1040	2007	\$6,315,437	BOLANOS
<u>EIGHT</u>	D.E. & J.R.	10/14/2008	1040	2007	\$1,413,019	BOLANOS
<u>NINE</u>	James Schwartz	10/14/2008	1040	2007	\$125,886	BOLANOS GEORGNER SCHWARTZ
<u>TEN</u>	Louie Calles	10/14/2008	1040	2007	\$389,297	BOLANOS CALLES
<u>ELEVEN</u>	T.C.	10/15/2008	1040	2007	\$1,192,578	BOLANOS
<u>TWELVE</u>	Charles Wayne Uptergrove & M.U.	10/15/2008	1040	2007	\$6,282,095	BOLANOS UPTERGROVE
<u>THIRTEEN</u>	B.W.	10/16/2008	1040	2007	\$862,590	BOLANOS
<u>FOURTEEN</u>	Rodney & Ladonna Moon	10/16/2008	1040	2007	\$1,454,349	BOLANOS RODNEY EDWIN MOON LADONNA LEE MOON
<u>FIFTEEN</u>	P.W.	10/16/2008	1040	2007	\$2,591,475	BOLANOS
<u>SIXTEEN</u>	Leroy Donovan Combs	10/16/2008	1040	2007	\$6,494,829	BOLANOS COMBS

//

Indictment

1 All in violation of Title 18, United States Code, Section 287.

2 TRUE BILL.

3  
4 */s/ Signature on file w/AUSA*

5 \_\_\_\_\_  
6 FOREPERSON

7 **Mark E. Cullers**

8 \_\_\_\_\_  
9 MARK E. CULLERS  
10 Assistant U.S. Attorney  
11 Chief, Fresno Office  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

FILED

SEP 26 2013

CLERK, U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA  
BY W. VERDUZCO  
DEPUTY CLERK

THE UNITED STATES OF AMERICA

vs.

Gaylene Lynnette Bolanos, Oswald Georgner,  
Leroy Donovan Combs, Charles Wayne Uptergrove,  
Ladonna Lee Moon, Rodney Edwin Moon,  
Louie Calles, and James Karam Schwartz

INDICTMENT

1:13 CR 00362 AWI BAM

VIOLATION(S): 18 U.S.C. § 286 - Conspiracy to Defraud;  
18 U.S.C. § 287 - False Claims Against the United States

A true bill,

*[Signature]*

Foreman.

Filed in open court this \_\_\_\_\_ day

of \_\_\_\_\_, A.D. 20 \_\_\_\_\_

Clerk.

NO BAIL WARRANT

Bail, \$ \_\_\_\_\_ as to all defendants

*[Signature]*



DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION IN U.S. DISTRICT COURT

BY

COMPLAINT     INFORMATION     INDICTMENT

SUPERSEDING INFORMATION     SUPERSEDING

SEALED     Court No.

Name of District Court, and/or Judge Magistrate

EASTERN DISTRICT OF CALIFORNIA  
FRESNO, CALIFORNIA

OFFENSE CHARGED

\_\_\_\_\_ Petty  
\_\_\_\_\_ Minor  
\_\_\_\_\_ Misdemeanor  
\_\_\_\_\_ Felony

Place of Offense: Fresno County

USC Citations:

DEFENDANT -- U.S. vs.

LOUIE CALLES

Address (

1:13 CR 00362 AWI BAM

Birth Date \_\_\_\_\_ Male \_\_\_\_\_ Alien  
Date \_\_\_\_\_ Female \_\_\_\_\_ (if applicable)

(Optional unless a juvenile)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Michele Casarez/IRS

this person is awaiting trial in another Federal or State Court, give name of court.

this person/proceeding is transferred from another district per (circle one) FRCP 20, 21, or 40. Show District

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

U.S. Att'y     Defense

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

prior proceeding or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

MAGISTRATE CASE NO.

DEFENDANT

IS NOT IN CUSTODY

1)  Has not been arrested, pending outcome this proceeding if not detained give date any prior summons was served on above charges

2)  Is a Fugitive

3)  Is on Bail or Release from (show District)

IS IN CUSTODY

4)  On this charge

5)  On another conviction     Fed'l     State

6)  Awaiting trial on other charges  
If answer to (6) is "Yes", show name of institution

Has detainer been filed?    Yes    If "Yes" give date

DATE OF ARREST    Mo.    Day    Year

Or ... if arresting Agency & Warrant were not Federal

DATE TRANSFERRED TO U.S. CUSTODY    Mo.    Day    Year

Name and Office of Person Furnishing information on

THIS FORM

U.S. Att'y     Other U.S. Agency

Name of Asst. U.S. Att'y (if assigned) GRANT B. RABENN and MEGAN RICHARDS

ADD FORFEITURE UNIT (Check if Forfeiture Allegation)

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PENALTIES: Please see penalty slips  
STATUS: Please issue No Bail Warrant

**U.S. District Court**  
**Eastern District of California - Live System (Fresno)**  
**CRIMINAL DOCKET FOR CASE #: 1:13-cr-00362-AWI-BAM All Defendants**

Case title: USA v. Bolanos et al

Date Filed: 09/26/2013

---

Assigned to: District Judge Anthony W.  
Ishii  
Referred to: Magistrate Judge Barbara  
A. McAuliffe

**Defendant (1)****Gaylene Lynnette Bolanos****Pending Counts****Disposition**CONSPIRE TO DEFRAUD  
(1)FALSE OR FRAUDULENT CLAIMS  
(2-16)**Highest Offense Level (Opening)**

Felony

**Terminated Counts****Disposition**

None

**Highest Offense Level (Terminated)**

None

**Complaints****Disposition**

None

---

Assigned to: District Judge Anthony W.  
Ishii  
Referred to: Magistrate Judge Barbara  
A. McAuliffe

**Defendant (2)****Oswald Georgner****Pending Counts****Disposition**

## CONSPIRE TO DEFRAUD

(1)

## FALSE OR FRAUDULENT CLAIMS

(2-16)

Highest Offense Level (Opening)

Felony

Terminated CountsDisposition

None

Highest Offense Level (Terminated)

None

ComplaintsDisposition

None

---

Assigned to: District Judge Anthony W.  
Ishii

Referred to: Magistrate Judge Barbara  
A. McAuliffe

Defendant (3)

Leroy Donovan Combs

Pending CountsDispositionFALSE OR FRAUDULENT CLAIMS  
(2-16)Highest Offense Level (Opening)

Felony

Terminated CountsDisposition

None

Highest Offense Level (Terminated)

None

ComplaintsDisposition

None

Assigned to: District Judge Anthony W. Ishii  
Referred to: Magistrate Judge Barbara A. McAuliffe

**Defendant (4)**

Charles Wayne Uptergrove

**Pending Counts****Disposition**

FALSE OR FRAUDULENT CLAIMS  
(2-16)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts****Disposition**

None

**Highest Offense Level (Terminated)**

None

**Complaints****Disposition**

None

---

Assigned to: District Judge Anthony W. Ishii  
Referred to: Magistrate Judge Barbara A. McAuliffe

**Defendant (5)**

Ladonna Lee Moon

**Pending Counts****Disposition**

FALSE OR FRAUDULENT CLAIMS  
(2-16)

**Highest Offense Level (Opening)**

Felony

**Terminated Counts****Disposition**

None

**Highest Offense Level (Terminated)**

None

**Complaints**

None

**Disposition**

---

Assigned to: District Judge Anthony W. Ishii  
Referred to: Magistrate Judge Barbara A. McAuliffe

**Defendant (6)**

Rodney Edwin Moon

**Pending Counts**FALSE OR FRAUDULENT CLAIMS  
(2-16)**Disposition****Highest Offense Level (Opening)**

Felony

**Terminated Counts**

None

**Disposition****Highest Offense Level (Terminated)**

None

**Complaints**

None

**Disposition**

---

Assigned to: District Judge Anthony W. Ishii  
Referred to: Magistrate Judge Barbara A. McAuliffe

**Defendant (7)**

Louie Calles

**Pending Counts**FALSE OR FRAUDULENT CLAIMS  
(2-16)**Disposition**

Highest Offense Level (Opening)

Felony

Terminated Counts

Disposition

None

Highest Offense Level (Terminated)

None

Complaints

Disposition

None

Assigned to: District Judge Anthony W. Ishii  
Referred to: Magistrate Judge Barbara A. McAuliffe

Defendant (8)

James Karam Schwartz

Pending Counts

Disposition

FALSE OR FRAUDULENT CLAIMS  
(2-16)

Highest Offense Level (Opening)

Felony

Terminated Counts

Disposition

None

Highest Offense Level (Terminated)

None

Complaints

Disposition

None

Plaintiff

USA

represented by **Grant Benjamin Rabenn**  
United States Attorney

2500 Tulare Street  
 Suite 4100  
 Fresno, CA 93721  
 559-497-4000  
 Fax: 559-497-4099  
 Email: grant.rabenn@usdoj.gov  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**

**Megan Anne Schultz Richards**  
 U.S. Attorney's Office, Eastern District  
 Of California  
 2500 Tulare Street  
 Suite 4401  
 Fresno, CA 93721  
 559-497-4023  
 Email: megan.richards@usdoj.gov  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**

Date Filed	#	Docket Text
09/26/2013	<u>1</u>	INDICTMENT as to Gaylene Lynnette Bolanos (1) count(s) 1, 2-16, Oswald Georgner (2) count(s) 1, 2-16, Leroy Donovan Combs (3) count(s) 2-16, Charles Wayne Uptergrove (4) count(s) 2-16, Ladonna Lee Moon (5) count(s) 2-16, Rodney Edwin Moon (6) count(s) 2-16, Louie Calles (7) count(s) 2-16, James Karam Schwartz (8) count(s) 2-16. (Attachments: # <u>1</u> T-Bill) (Lundstrom, T) (Entered: 09/26/2013)

PACER Service Center			
Transaction Receipt			
10/03/2013 10:13:06			
PACER Login:	us2886	Client Code:	
Description:	Docket Report	Search Criteria:	1:13-cr-00362-AWI-BAM
Billable Pages:	2	Cost:	0.20