

UNDER SEAL

FILED
IN COURT
CHARLOTTE, N. C.

NOV 15 2006

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

U. S. DISTRICT COURT
W. DIST. OF N. C.

UNITED STATES OF AMERICA)
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)
)
v.)
)
)
(1) JOSEPH DiBRUNO, JR.)
(2) JOSEPH DiBRUNO, SR.)
(3) NICHOLAS DiBRUNO)
)
)
)
_____)

DOCKET NO. 3:06CR430-W

BILL OF INDICTMENT

- Violations:
15 U.S.C. § 78j(b), 78ff
18 U.S.C. § 2
18 U.S.C. § 152
18 U.S.C. § 371
18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 1956
18 U.S.C. § 1957

THE GRAND JURY CHARGES:

At the specified times and at all relevant times:

Introduction

1. From in or about 1999 through in or about July 2005, defendants JOSEPH DiBRUNO, JR. (hereafter, "DiBRUNO, JR"), JOSEPH DiBRUNO, SR. (hereafter, "DiBRUNO, SR."), and NICHOLAS "NICK" DiBRUNO (hereafter, "N. DiBRUNO") organized and incorporated numerous different entities, solicited investors to invest large sums of money in these entities, and then used the investments to purchase numerous personal items, including cars, televisions, clothes and jewelry.

2. Golden Jersey Products, Inc. (hereafter, "Golden Jersey") was incorporated in Florida on or about October 20, 1994. Golden Jersey purportedly developed and marketed a fat-free milk substitute. It maintained offices in Vero Beach, Florida. DiBRUNO, SR. held himself out as the President of Golden Jersey.

3. Internet Business Design Group, Inc. (hereafter, "IBDG") was incorporated in North Carolina on or about June 12, 2000. The purported purpose of IBDG was to maintain an internet shopping mall where consumers could purchase from a number of different "stores" within the website. IBDG's registered address was 107 Westwood Drive, Belmont, North Carolina. DiBRUNO, JR. held himself out as President of IBDG, and N. DiBRUNO held himself out as Vice President.

4. Kolor Blynd Records, Inc. and KB Records, Inc. (collectively hereafter, "KB Records") were incorporated in North Carolina on or about July 23, 2001 and

December 18, 2002, respectively. KB Records was purportedly a record company which attempted to locate and market bands and singers. The company maintained its offices at 645 Pressley Road, Charlotte, North Carolina. DiBRUNO, JR. represented that he was President of KB Records, and N. DiBRUNO served as Vice President.

5. DiBruno Brothers Mining, Inc. (hereafter, "DiBruno Brothers Mining") was incorporated in North Carolina on or about September 24, 2001. DiBruno Brothers Mining was purportedly in the business of extracting gold from a mine located in New Mexico. The listed address for the company was DiBRUNO, JR.'s residence, 107 Westwood Drive, Belmont, North Carolina. DiBRUNO, JR. represented that he was President of the company, and N. DiBRUNO was Vice President.

6. International Senatorial Committee for the United Nations, Inc. (hereafter, "International Senatorial Committee") was incorporated in North Carolina on or about November 1, 2001. The International Senatorial Committee had various represented purposes, but mainly served as a shell entity for various schemes and transactions purportedly involving the United Nations. The registered address for International Senatorial Committee was DiBRUNO, JR.'s residence, 107 Westwood Drive, Belmont, North Carolina. DiBRUNO, JR. held himself out to be the Vice President of the company.

7. International Food Tech, Inc. (hereafter, "International Food Tech") was incorporated in North Carolina on or about April 23, 2003. International Food Tech was also purportedly a company which would provide food supplements. The registered address was DiBRUNO, JR.'s residence, 107 Westwood Drive, Belmont, North Carolina.

8. First Intertech Corporation (hereafter, "First Intertech") was incorporated in North Carolina on or about May 3, 2004. The registered address was DiBRUNO, JR.'s residence, 107 Westwood Drive, Belmont, North Carolina.

9. International Monetary Exchange, Inc. ("International Monetary Exchange") was a Florida corporation with no apparent official connection to any of the defendants. The defendants touted their involvement in the International Monetary Exchange, specifically in soliciting investors to participate in a foreign currency exchange.

10. Bank of America, N.A. (hereafter, "Bank of America") was a financial institution, the deposits of which were then insured by the Federal Deposit Insurance Corporation (hereafter, the "FDIC") and which engaged in and the activities of which affected interstate commerce.

11. Wachovia Bank, N.A. (hereafter, "Wachovia") was a financial institution, the deposits of which were then insured by the FDIC and which engaged in and the activities of which affected interstate commerce.

12. SunTrust Bank (hereafter, "SunTrust") was a financial institution, the deposits of which were then insured by the FDIC and which engaged in and the activities of which affected interstate commerce.

13. Central Carolinas Bank (hereafter, "CCB") was a financial institution, the deposits of which were then insured by the FDIC and which engaged in and the activities of which affected interstate commerce.

14. First Gaston Bank (hereafter, "First Gaston") was a financial institution, the deposits of which were then insured by the FDIC and which engaged in and the activities of which affected interstate commerce.

The Investment & Securities Fraud Schemes

15. From in or about 1999 through in or about 2005, DiBRUNO, JR., DiBRUNO, SR., and N. DiBRUNO solicited individuals to invest in one of the above-described entities by making various fraudulent representations to investors concerning the purpose, the legitimacy and the success of these entities. In return for their investments, investors were given stock certificates, letter agreements and oral promises touting the extraordinary rate of return to be earned on their investments within a fixed period of time. Based on the defendants' materially false and fraudulent representations, numerous individuals invested more than \$2 million in these entities. These investments were, in turn, deposited into different bank accounts, including, among others, bank accounts for KB Records, International Senatorial Committee, DiBruno Brothers Mining and DiBRUNO, JR.'s personal checking account.

16. Despite the defendants' representations to investors, none of the entities were as the defendants had promised them to be. Some of the entities, such as International Senatorial Committee and DiBruno Brothers Mining, were not businesses at all but rather merely shell entities designed for the sole purpose of allowing the defendants to solicit money from unwitting investors. Other entities, such as KB Records, were operational businesses but were robbed of the ability to operate successfully because DiBRUNO, JR. used the investment money for personal expenditures such as cars, jewelry, and electronic equipment.

17. Furthermore, despite the defendants' promises to investors, the invested money was not used to further the business of these entities. Instead, the money was divided among DiBRUNO, JR., DiBRUNO, SR. and N. DiBRUNO and used for the family's personal and oftentimes extravagant expenditures. DiBRUNO, JR. withdrew over \$500,000 in cash from the investors' funds that had been deposited into bank accounts. The withdrawn cash was distributed to other family members for their personal expenditures. DiBRUNO, JR. also used the money to make down payments on automobiles, such as Hummers, and motorcycles.

The Bankruptcy Proceedings

18. As investors learned the true nature of the DiBRUNO family and the sham nature of the entities for which the defendants solicited investments, several investors filed civil suits against the defendants in an attempt to collect their original investments.

19. The defendants were adjudged liable in several of these suits, and several courts entered judgments against the defendants which allowed the aggrieved investors to levy on the DiBRUNOS' property to collect on their judgments.

20. On or about July 26, 2005, the defendants, including DiBRUNO, JR., DiBRUNO, SR., and N. DiBRUNO, filed for Chapter 7 bankruptcy in the United States Bankruptcy Court for the Western District of North Carolina (hereafter "the Bankruptcy Court") to prevent aggrieved investors from levying on any of the defendants' assets.

21. DiBRUNO, JR, however, fraudulently omitted from his Bankruptcy Petition ("the Petition") and Statement of Financial Affairs some of his assets, thereby concealing such assets from the Bankruptcy Court and the United States Bankruptcy Trustee (hereafter, "the Trustee"), the official designated to dispose of the defendants' bankruptcy estates.

22. In addition, DiBRUNO, JR. conspired with others to file materially false statements with the Bankruptcy Court and the United States District Court concerning the defendant's estate.

23. These actions by DiBRUNO, JR and others materially and detrimentally interfered with the Trustee's and with the Bankruptcy Court's efforts to properly dispose of the defendants' bankruptcy estates.

COUNT ONE
18 U.S.C. § 371
(Conspiracy)

24. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 of the Indictment, and further alleges that:

25. From in or about 1999 through in or about 2005, in Mecklenburg and Gaston Counties, within the Western District of North Carolina, and elsewhere, the defendants,

JOSEPH DiBRUNO, JR.
JOSEPH DiBRUNO, SR.
NICHOLAS DiBRUNO

did knowingly, willfully and unlawfully combine, conspire, and agree together and with other persons known and unknown to the Grand Jury, to commit the following offenses against the United States:

- A. Securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5;
- B. Mail fraud, in violation of Title 18, United States Code, Section 1341; and
- C. Wire fraud, in violation of Title 18, United States Code, Section 1343.

Objects of the Conspiracy

26. It was a part and an object of the conspiracy that the defendants, and others known and unknown to the Grand Jury, willfully, directly and indirectly, by use of the means and instrumentalities of interstate commerce and the mails, would and did use and employ manipulative and deceptive devices and contrivances in connection with the sale of securities by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would and did operate as a fraud and deceit upon investors of DiBruno Brothers Mining, International Senatorial Committee, International Food Tech, First Intertech, International Monetary Fund, International Monetary Exchange and KB Records, and others, in connection with the sales of securities, in violation Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

27. It was a part and an object of the conspiracy that the defendants, and others known and unknown to the Grand Jury, having devised the above-described schemes and artifices to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did cause things to be deposited with and delivered by the U.S. Postal Service and private and commercial interstate carriers for the purposes of executing said schemes and artifices, in violation of Title 18, United States Code, Section 1341.

28. It was a part and an object of the conspiracy that the defendants, and others known and unknown to the Grand Jury, having devised the above-described schemes and artifices to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds for the purposes of executing said schemes and artifices, in violation of Title 18, United States Code, Section 1343.

Overt Acts

29. In furtherance of the conspiracy, and to accomplish the objects thereof, the defendants and co-conspirators committed the following overt acts, among others, in the Western District of North Carolina and elsewhere:

A. Golden Jersey:

- i. In or about 1995, DiBRUNO, SR. joined Golden Jersey as its President.
- ii. In or around 1999, DiBRUNO, SR. sold all of his shares of Golden Jersey stock, and thereafter directed his secretary to print more stock certificates which he could sell to investors. DiBRUNO, SR. and DiBRUNO, JR. then sold these fake stock certificates to unwitting investors.
- iii. In or about 1999, DiBRUNO, JR. caused Mr. D.H. to deliver a \$5,000 check as an investment in Golden Jersey.
- iv. On or about December 18, 2000, DiBRUNO, SR. caused Mr. T.M. to deliver a \$1,000 investment in Golden Jersey.
- v. On or about January 12, 2001, DiBRUNO, SR. caused Mr. T.M. to deliver a \$1,000 investment in Golden Jersey.
- vi. In or about May 1999, DiBRUNO, JR. caused Mr. and Mrs. B to take out a home equity line of credit on their home to invest \$53,000 in Golden Jersey through DiBRUNO, JR. Shortly thereafter, Mr. and Mrs. B received a stock certificate in the mail from "JOE DiBRUNO."

- vii. In or about October 1999, DiBRUNO, JR. caused Mr. J.A. to exchange a boat for \$14,000 in Golden Jersey Stock. Shortly thereafter, Mr. J.A. received a stock certificate in the mail from Vero Beach, Florida representing shares in Golden Jersey.
- viii. In or about December 1999, Mr. D.H. spoke by telephone with DiBRUNO, SR., who advised Mr. D.H. that Golden Jersey's business was growing, that Mr. D.H. would in fact make a large profit off his investment, and that Golden Jersey would be merging with a mine company.
- ix. Based on representations made by DiBRUNO, SR. and DiBRUNO, JR., Mr. R.B. invested approximately \$275,000 in Golden Jersey from in or about October 2000 to in or about July 2002.
- x. In or about November 2000, DiBRUNO, SR. caused Mr. J.A. to trade a Mitsubishi Diamante for \$20,000 in Golden Jersey stock. Shortly thereafter, Mr. J.A. received in the mail from Vero Beach, Florida a stock certificate representing Golden Jersey shares.
- xi. In or around February 2001, Mr. J.A. spoke by telephone with DiBRUNO, SR. regarding cashing in his shares of Golden Jersey stock. DiBRUNO, SR. promised to deliver a check to Mr. J.A. in one week representing his rate of return. DiBRUNO, SR. never delivered the promised check to Mr. J.A.

B. Internet Business Design Group ("IBDG"):

- i. In or about January 2000, DiBRUNO, JR. contacted Ms. R.W. by telephone and solicited an investment in IBDG.
- ii. In or about 2000, DiBRUNO, JR. caused Ms. T.H. to invest \$8,000 in IBDG as a result of false representations made by DiBRUNO, JR. concerning the company. DiBRUNO, JR. mailed a stock certificate representing 2,000 shares of IBDG to Ms. T.H.
- iii. On or about July 25, 2000, DiBRUNO, JR. caused Ms. R.W. to invest \$20,000 in IBDG. DiBRUNO, JR. mailed a stock certificate to Ms. R.W. representing her shares in IBDG.
- iv. On or about August 18, 2000, DiBRUNO, JR. caused Ms. R.W. to mail a \$10,000 investment check to DiBRUNO, JR. representing the purchase price of 2,500 shares of stock in IBDG. DiBRUNO, JR. again mailed a stock certificate to Ms. R.W. representing her shares in IBDG.

- v. In or about November 2000, DiBRUNO, JR. caused Mr. T.M. to mail a \$5,000 investment check to DiBRUNO, JR. representing an investment in IBDG. An unindicted co-conspirator hand-delivered to Mr. T.M. a stock certificate representing his shares in IBDG.
- vi. In or about December 2000, DiBRUNO, JR. caused Mr. T.M. to invest an additional \$4,000 in IBDG. The same unindicted co-conspirator hand-delivered a stock certificate to Mr. T.M. representing his shares in IBDG.
- vii. In or around 2001, DiBRUNO, SR. offered Ms. T.H. the opportunity to transfer her IBDG shares to his new vitamin company.

C. DiBruno Brothers Mining:

- i. In or about October 2001, DiBRUNO, JR. and N. DiBRUNO met with a Belmont police officer and asked him to be head of security at the company's supposed mine in New Mexico. DiBRUNO, JR. showed the former police officer maps, assays and plans for the mine, and N. DiBRUNO described the mine in detailed fashion as though he had been there. As a result of these representations, on or about December 13, 2001, the police officer traveled to Roswell, New Mexico, where the mine was purportedly located. Once there, the officer discovered the mine was not at the location where DiBRUNO, JR. had said it was located.
- ii. On or about December 11, 2001, DiBRUNO, JR. caused Mr. R.B. to invest \$10,000 with DiBruno Brothers Mining.
- iii. On or about February 6, 2002, DiBRUNO, JR. caused Mr. R.B. to wire an additional \$10,000 investment in DiBruno Brothers Mining to DiBRUNO, JR..
- iv. On or about March 6, 2002, DiBRUNO, JR. caused Mr. R.B. to wire an additional \$10,000 investment in DiBruno Brothers' Mining to DiBRUNO, JR.
- v. On or about March 20, 2002, DiBRUNO, JR. caused Mr. R.B. to wire an additional \$7,000 investment in DiBruno Brothers Mining to DiBRUNO, JR.
- vi. On or about April 3, 2002, DiBRUNO, JR. caused Mr. R.B. to wire an additional \$5,000 investment in DiBruno Brothers Mining to DiBRUNO, JR.

- vii. On or about July 30, 2002, DiBRUNO, JR. caused Mr. J.H. to wire a \$50,000 investment in DiBruno Brothers Mining to DiBRUNO, JR.
- viii. On or about August 23, 2002, DiBRUNO, JR. caused Mr. J.H. to wire an additional \$40,000 investment in DiBruno Brothers Mining to DiBRUNO, JR.
- ix. On or about the various dates in 2002, DiBRUNO, JR. caused Mr. K.B. to wire a total of approximately \$70,000 investments in DiBruno Brothers Mining to DiBRUNO, JR.:
- x. In or about September 2002, DiBRUNO, JR. and DiBRUNO, SR. met with Mr. L.H. and Ms. C.D. to discuss DiBruno Brothers Mining and to solicit an investment in the mining operation. DiBRUNO, SR. represented to Mr. L.H. and Ms. C.D. that DiBRUNO, SR. had acquired the rights to a gold mine. However, the defendants told Mr. L.H. and Ms. C.D. that they could not see the mine because it was on a top secret government plot of land.
- xi. On or about September 16, 2002, the DiBRUNO, JR., DiBRUNO, SR., and N. DiBRUNO caused Mr. L.H. to invest \$20,000 in DiBruno Brothers Mining. DiBRUNO, JR. deposited this check into the bank account for the International Senatorial Committee.
- xii. In or about November 2002, DiBRUNO, JR., DiBRUNO, SR., and N. DiBRUNO caused Mr. L.H. and Ms. C.D. to invest an additional \$100,000 with DiBruno Brothers Mining.
- xiii. In or about November 2002, DiBRUNO, JR. told the police officer that the mining operation was canceled.
- xiv. In or about December 2002, DiBRUNO, JR. caused Mr. L.H. and Ms. C.D. to invest an additional \$75,000 in DiBruno Brothers Mining.
- xv. From in or about October 2002 through in or about December 2003, DiBRUNO, SR. met Mr. L.H. each week for breakfast. During these meetings, DiBRUNO, SR. made various representations about DiBruno Brothers Mining and the mining operations.

D. KB Records:

- i. In or about October 2002, DiBRUNO, JR. spoke with Mr. L.H. about investing in KB Records. Based on representations by DiBRUNO, JR., Mr. L.H. and Ms. C.D. each invested \$20,000 in KB Records, purportedly representing an ownership interest in 13.33% of the gross profits received from recordings of one of KB Records' artists.
- ii. In or about November 2002, DiBRUNO, JR. caused Mr. L.H. and Ms. C.D. to invest \$50,000 and \$100,000, respectively, in KB Records.
- iii. On or about May 30, 2003, DiBRUNO, JR. caused Mr. R.B. to invest \$10,000 with KB Records.

E. International Senatorial Committee:

- i. In or about August 2002, DiBRUNO, JR. caused Mr. T.B. to invest \$20,000 from his retirement account with the International Senatorial Committee. DiBRUNO, JR. represented to Mr. T.B. that the investment would enable the International Senatorial Committee to purchase a mine.
- ii. At various points throughout 2003, DiBRUNO, JR. and DiBRUNO, SR. met with Mr. G.T. to discuss the International Senatorial Committee and various food products which DiBRUNO, JR. and DiBRUNO, SR. had purportedly invented.
- iii. In or about March 2003, DiBRUNO, JR. caused Mr. C.H., Sr. and Mr. C.H., Jr. to invest \$200,000 in a currency exchange known as the International Senatorial Committee. DiBRUNO, JR. subsequently mailed a stock certificate to Mr. C.H., Sr. and Mr. C.H., Jr. representing the shares they had purchased in the International Senatorial Committee.
- iv. On or about August 29, 2003, DiBRUNO, JR. telephoned Ms. E.A. to solicit a \$300,000 investment in the International Senatorial Committee. During this conversation, DiBRUNO, JR. represented that the company would be involved in preventing beach erosion.

F. International Food Tech:

- i. In or about April 2003, DiBRUNO, JR. telephoned Mr. K.A. at his home in Indiana to solicit an investment in International Food Tech. During those phone calls, DiBRUNO, JR. made various

representations about the company and what Mr. K.A.'s rate of return would be.

- ii. In or about April 2003, DiBRUNO, JR. caused Mr. K.A. to deliver via Federal Express a \$100,000 investment for International Food Tech to DiBRUNO, JR. DiBRUNO, JR. subsequently mailed to Ms. E.A. and Mr. K.A. a stock certificate representing 50,000 shares in International Food Tech.
- iii. In or about May 2003, DiBRUNO, JR. caused Mr. K.A. to deliver via Federal Express a second investment check of \$100,000 as an investment in International Food Tech. DiBRUNO, JR. subsequently mailed to Mr. K.A. a stock certificate representing 50,000 additional shares.
- iv. In or about July 2003, DiBRUNO, JR. caused Mr. K.A. to deliver via Federal Express a \$250,000 investment check to DiBRUNO, JR. as an investment in International Food Tech. DiBRUNO, JR. subsequently mailed to Mr. K.A. a stock certificate representing 125,000 shares.
- v. In or about July 2003, DiBRUNO, JR. represented to Mr. K.A. that International Food Tech was planning to merge with another company which would greatly increase Mr. K.A.'s rate of return.
- vi. In or about August 2003, DiBRUNO, JR. telephoned Ms. E.A. and represented that their investment was growing at a large rate of return.
- vii. In or about March 2004, DiBRUNO, JR. represented to Mr. and Mrs. A. that the merger of International Food Tech with another company was complete and that Mr. and Mrs. A. should expect a large rate of return.
- viii. On or about March 30, 2004, DiBRUNO, JR. caused Mr. R.V.C. to deliver to DiBRUNO, JR. an investment check for \$61,625 representing his investment in International Food Tech.
- ix. On or about May 5, 2004, DiBRUNO, JR. caused Mr. R.V.C. to deliver a second investment check for \$118,375 to DiBRUNO, JR. representing an investment in International Food Tech.

G. First Intertech:

- i. On or about June 15, 2004, DiBRUNO, JR. caused Mr. R.V.C. to deliver a \$49,739 check made out to First Intertech to DiBRUNO,

JR. based on representations that the money would be used for a purported ongoing lawsuit by KB Records against two major record labels.

H. International Monetary Exchange:

- i. In or about June 2005, DiBRUNO, JR. approached Dr. C.C. about investing in the International Monetary Exchange. DiBRUNO, JR. represented to Dr. C.C. that each investment program costs \$100,000 and would yield \$1.5 million in return. As a result of these representations, and others, Dr. C.C. invested \$200,000 with the International Monetary Exchange.
- ii. In or about July 2005, DiBRUNO, JR. caused Ms. C.B. to invest \$65,000, representing her entire retirement account, in International Monetary Exchange.

All in violation of 18 U.S.C. § 371.

COUNT TWO
18 U.S.C. § 1956(h)
(Money Laundering Conspiracy)

30. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and paragraph 29 of the Indictment, and further alleges that:

31. From in or about 2000 through in or about 2005, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendants,

JOSEPH DiBRUNO, JR.
JOSEPH DiBRUNO, SR.
NICHOLAS DiBRUNO

did knowingly, willfully and unlawfully combine, conspire, and agree together and with other persons known and unknown to the Grand Jury, to commit the following offenses against the United States:

- A. Promotion money laundering, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i);
- B. Concealment money laundering, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i)-(ii); and
- C. Money laundering, in violation of Title 18, United States Code, Section 1957.

Objects of the Conspiracy

32. It was a part and an object of the conspiracy that the defendants, and others known and unknown to the Grand Jury, knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct financial transactions involving the proceeds of specified unlawful activity with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

33. It was a part and an object of the conspiracy that the defendants, and others known and unknown to the Grand Jury, knowing that the property involved in financial transactions represented the proceeds of some form of unlawful activity, would and did conduct and attempt to conduct financial transactions involving the proceeds of specified unlawful activity with the intent to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity or to avoid a transaction reporting requirement under state or federal law, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i)-(ii).

34. It was a part and an object of the conspiracy that the defendants, and others known and unknown to the Grand Jury, would and did knowingly engage and attempt to engage in monetary transactions in and affecting interstate and foreign commerce by, through, and to financial institutions, in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, in violation of Title 18, United States Code, Section 1957.

All in violation of Title 18, United States Code, Section 1956(h).

COUNTS THREE THROUGH FOURTEEN
15 U.S.C. §§ 78j(b) and 78ff
(Securities Fraud)

35. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and paragraph 29 of the Indictment, and further alleges that:

36. On or about the dates set forth below, in Mecklenburg and Gaston Counties, within the Western District of North Carolina, and elsewhere, the defendant,

JOSEPH DiBRUNO, JR.

aided and abetted by others, willfully, directly and indirectly, by use of the means and instrumentalities of interstate commerce and the mails, used and employed manipulative and deceptive devices and contrivances by (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices, and courses of business which operated and would and did operate as a fraud and deceit upon investors of the entities outlined above and others, in connection with the sale of securities, to wit, stock and investment contracts, each instance described below being a separate violation of Title 15, United States Code, Sections 78j(b) and 78ff, Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18, United States Code, Section 2.

COUNT	DATE	SECURITY SALE	INTERSTATE COMMERCE
Three	9/16/02	Contract stating Mr. L.H. will receive a percentage of ore (or its equivalent) from the mine	\$20,000 investment check from Mr. L.H. deposited into International Senatorial Committee's Bank of America account on 9/16/02
Four	11/5/02	Contract stating Ms. C.D. will receive a percentage of ore (or its equivalent) from the mine	\$50,000 investment check from Ms. C.D. deposited into International Senatorial Committee's Bank of America account on 11/5/02
Five	11/27/02	Contract stating Mr. L.H. will receive a percentage of ore (or its equivalent) from the mine	\$50,000 investment check from Mr. L.H. deposited into International Senatorial Committee's Bank of America account on 11/27/02

COUNT	DATE	SECURITY SALE	INTERSTATE COMMERCE
Six	11/27/02	Contract stating Ms. C.D. will receive a percentage of ore (or its equivalent) from the mine	\$100,000 investment check from Ms. C.D. deposited into KB Records' Bank of America account
Seven	5/2/03	Stock certificate #7 for 50,000 shares of International Food Tech, made out to Mr. K.A.	\$100,000 investment check from Mr. K.A. mailed to DiBRUNO, JR. and deposited into KB Records' Bank of America account on or about 4/23/03
Eight	5/9/03	Stock certificate #18 for 100,000 shares of International Food Tech, made out to Mr. K.A.	\$100,000 investment check from Mr. K.A. mailed to DiBRUNO, JR and deposited into KB Records' Bank of America account on or about 5/13/03
Nine	5/9/03	Stock Certificate #9 for 450,000 shares of International Food Tech, made out to Mr. K.A.	\$100,000 investment check from Mr. K.A. mailed to DiBRUNO, JR. and deposited into KB Records' Bank of America account on or about 5/13/03
Ten	6/19/03	Stock certificate for 20,000 shares of KB Records, made out to Ms. C.D.	\$125,000 investment check from Ms. C.D. deposited into KB Records' Bank of America account on or about 6/19/03
Eleven	8/1/03	Stock certificate for 250,000 shares of International Food Tech, made out to Mr. K.A.	\$250,000 investment check from Mr. K.A. mailed to DiBRUNO, JR. and deposited into KB Records' Bank of America account on or about 7/25/03.
Twelve	11/24/03	Stock certificate for 200,000 shares of International Food Tech, given to Mr. C.H., Sr.	\$100,000 investment check from Mr. C.H., Sr. deposited into DiBRUNO, JR.'s personal Bank of America account on or about 11/24/03
Thirteen	11/24/03	Stock certificate for 200,000 shares of International Food Tech, given to Mr. C.H., Jr.	\$100,000 investment check from Mr. C.H., Jr. deposited into DiBRUNO, JR.'s personal Bank of America account on or about 12/3/03

COUNT	DATE	SECURITY SALE	INTERSTATE COMMERCE
Fourteen	6/1/04	Stock certificate for 160,000 shares of First Intertech stock, made out to Mr. R.V.C.	\$49,739 investment check purchased by Mr. R.V.C. from CCB and deposited at First Gaston Bank on or about 6/15/04

COUNTS FIFTEEN THROUGH TWENTY-TWO

18 U.S.C. § 1343

(Wire Fraud)

37. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and paragraph 29 of the Indictment, and further alleges that:

38. On or about the dates set forth below, in Mecklenburg and Gaston Counties, within the Western District of North Carolina, and elsewhere, the defendant,

JOSEPH DiBRUNO, JR.

aided and abetted by others, having devised the above-described schemes and artifices to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds, to wit, wires between bank accounts as set forth below, for the purposes of executing said scheme and artifice, each instance described below being a separate violation of Title 18, United States Code, Sections 1343 and 2.

COUNT	DATE	WIRE
Fifteen	1/7/02	Letter sent via facsimile from DiBRUNO, JR.'s home in North Carolina to Mr. R.B.'s home in Florida discussing Mr. R.B.'s investment
Sixteen	3/6/02	\$10,000 wire transfer of funds from Mr. R.B.'s account to DiBRUNO, JR.'s personal account at SouthTrust Bank
Seventeen	7/12/02	\$20,000 wire transfer of funds from Mr. K.B.'s account to International Senatorial Committee's Bank of America account as investment in DiBruno Brothers Mining
Eighteen	7/23/02	\$26,000 wire transfer of funds from Mr. K.B.'s account to International Senatorial Committee's account at Bank of America as investment in DiBruno Brothers Mining
Nineteen	7/30/02	\$50,000 investment wired from Mr. J.H.'s account to International Senatorial Committee's account at Bank of America as investment in DiBruno Brothers Mining
Twenty	4/21/03	Telephone call from Mr. K.A.'s home in Indiana to DiBRUNO, JR.'s home in North Carolina

COUNT	DATE	WIRE
Twenty-one	8/29/03	Telephone call from DiBRUNO, JR. in North Carolina to Ms. E.A.'s home in Indiana to discuss the investment in International Food Tech
Twenty-two	3/30/04	Telephone call from DiBRUNO, JR. in North Carolina to Ms. E.A.'s home in Indiana regarding the investment in International Food Tech

COUNTS TWENTY-THREE THROUGH THIRTY

**18 U.S.C. § 1341
(Mail Fraud)**

39. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and paragraph 29 of the Indictment, and further alleges that:

40. On or about the dates set forth below, in Gaston and Mecklenburg Counties, within the Western District of North Carolina, and elsewhere, the defendant,

JOSEPH DiBRUNO, JR.

aided and abetted by others, having devised the above-described schemes and artifices to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, caused things, as described below, to be sent and delivered by mail and by private and commercial interstate carrier for the purposes of executing said schemes and artifices, each instance described below being a separate violation of Title 18, United States Code, Sections 1341 and 2.

COUNT	DATE	MAILINGS
Twenty-three	12/4/01	R.B.'s investment check for DiBruno Brothers Mining sent via Federal Express to DiBRUNO, JR.
Twenty-four	4/21/03	K.A.'s investment check for International Food Tech sent via Federal Express to DiBRUNO, JR.
Twenty-five	5/2/03	Stock certificate for International Food Tech mailed to K.A.
Twenty-six	5/9/03	Stock certificate for International Food Tech mailed to K.A.
Twenty-seven	5/12/03	K.A.'s investment check for International Food Tech sent via Federal Express to DiBRUNO, JR.
Twenty-eight	5/29/03	R.B.'s investment check for KB Records sent via Federal Express to DiBRUNO, JR.
Twenty-nine	7/24/03	K.A.'s investment check for International Food Tech sent via Federal Express to DiBRUNO, JR.
Thirty	8/1/03	Stock certificate for International Food Tech mailed to K.A.

COUNTS THIRTY-ONE THROUGH THIRTY-THREE

**18 U.S.C. § 1956(a)(1)(A)(i)
(Promotion Money Laundering)**

41. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and paragraph 29 of the Indictment, and further alleges that:

42. On or about the dates set forth below, in Mecklenburg and Gaston Counties, within the Western District of North Carolina, and elsewhere, the defendant,

JOSEPH DiBRUNO, JR.

aided and abetted by others, knowing that the property involved in a financial transaction represented the proceeds of unlawful activity, conducted, caused others to conduct, and attempted to conduct financial transactions, to wit withdrawals and transfers involving financial institutions which were engaged in and the activities of which affected interstate and foreign commerce, involving the proceeds of specified unlawful activity with the intent to promote the carrying on of specified unlawful activity, each instance described below being a separate violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 2.

COUNT	DATE	FINANCIAL TRANSACTIONS
Thirty-one	9/4/02	Check in the amount of \$11,300 to Sumpters Jewelry for jewelry rental for photo shoot associated with KB Records
Thirty-two	10/29/02	Checks in the amount of \$4,896 made out to Piedmont Plastic Surgery and \$650 to Carolina Anesthesia for payment for breast implants for singer associated with KB Records
Thirty-three	6/20/03	Check in the amount of \$30,000 to Drake Interiors Design for office furniture for KB Records

COUNTS THIRTY-FOUR THROUGH THIRTY-FIVE

**18 U.S.C. § 1957
(Money Laundering)**

43. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and paragraph 29 of the Indictment, and further alleges that:

44. On or about the dates set forth below, in Mecklenburg and Gaston Counties, within the Western District of North Carolina, and elsewhere, the defendant,

JOSEPH DiBRUNO, JR.

aided and abetted by others, would and did knowingly engage and attempt to engage in monetary transactions in and affecting interstate and foreign commerce by, through, and to financial institutions, in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, each transaction described below being a separate violation of Title 18, United States Code, Sections 1957(a) and 2:

COUNT	DATE	FINANCIAL TRANSACTIONS
Thirty-four	2/20/03	Check in the amount of \$19,000 to Independence Hummer for down payment on H2
Thirty-five	1/17/03	Withdrew \$30,000 cash in counter-withdrawal from the International Senatorial Committee bank account

COUNT THIRTY-SIX
18 U.S.C. § 152
(Concealment of Assets)

45. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and paragraph twenty-nine of the Indictment, and further alleges that:

46. On or about July 26, 2005, in Mecklenburg County, within the Western District of North Carolina, and elsewhere, the defendant,

JOSEPH DiBRUNO, JR.

did knowingly and fraudulently make a false oath in or in relation to any Bankruptcy proceeding, to wit, DiBRUNO, JR. did not disclose assets currently in his possession in his Petition nor disclose the true state of his financial affairs as set forth in his Statement of Financial Affairs, including but not limited to:

- a. failing to disclose in his Petition two assault rifles;
- b. failing to disclose in his Petition one Rolex watch, one Breitling watch and one Eberhart watch;
- c. failing to disclose in his Statement of Financial Affairs approximately \$265,000 which was under his dominion and control from on or about June 24, 2005 to on or about July 26, 2005.

All in violation of Title 18, United States Code, Section 152.

COUNT THIRTY-SEVEN

18 U.S.C. § 371

(Conspiracy)

47. The Grand Jury realleges and incorporates by reference herein all of the allegations contained in paragraphs 1 through 23 and 29 of the Indictment, and further alleges that:

48. From in or about October 2005 through in or about November 2005, in Mecklenburg and Gaston Counties, within the Western District of North Carolina, and elsewhere, the defendant,

JOSEPH DiBRUNO, JR.

did knowingly, willfully and unlawfully combine, conspire, and agree together and with other persons known and unknown to the Grand Jury, to commit the following offense against the United States:

- A. False Oaths and Claims, in violation of Title 18, United States Code, Section 152.

Objects of the Conspiracy

49. It was a part and an object of the conspiracy that the defendant, and others known and unknown to the Grand Jury, knowingly and fraudulently, directly and indirectly, would and did make a false declaration, certification, verification, and statement in relation to a case under Title 11, by filing and causing to be filed a materially false document and representation with the United States District Court, in violation of Title 18, United States Code, Section 152(3).

50. It was a part and an object of the conspiracy that the defendant, and others known and unknown to the Grand Jury, knowingly and fraudulently, directly and indirectly, would and did present a false claim for proof against the estate of the debtor, DiBRUNO, JR. by filing and causing to be filed a materially false document and representation with the United States District Court, in violation of Title 18, United States Code, Section 152(4).

Overt Acts

51. In furtherance of the conspiracy, and to accomplish the objects thereof, the defendant and co-conspirators committed the following overt acts, among others, in the Western District of North Carolina and elsewhere:

- A. On or about November 1, 2005, DiBRUNO, JR. contacted Dr. C.C. and directed him to draft a letter to the United States District Court misrepresenting

the purpose of approximately \$250,000 of investment funds which Dr. C.C. had given to DiBRUNO, JR.

B. On or about November 3, 2005, DiBRUNO, JR. contacted Dr. C.C. and asked him to further misrepresent in the letter to the Court the intended use and circumstances surrounding these funds.

C. On or about November 7, 2005, DiBRUNO, JR. caused Dr. C.C. to mail the letter with these further misrepresentations to the United States District Court.

D. On or about November 9, 2005, DiBRUNO, JR. filed a materially false accounting of the approximately \$250,000 of investment funds with the Trustee and with the United States District Court.

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

A TRUE BILL.



GRETCHEN C.F. SHAPPERT
UNITED STATES ATTORNEY



MELISSA L. RIKARD
MATTHEW T. MARTENS
ASSISTANT UNITED STATES ATTORNEYS