UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

September 2011 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. GARY EDWARD KOVALL, DAVID ALAN HESLOP, PAUL PHILLIP BARDOS, and PEGGY ANNE SHAMBAUGH, Defendants.	No. CR 12- CR 12 00441 I N D I C T M E N T [18 U.S.C. § 371: Conspiracy; 18 U.S.C. § 666(a)(1)(B): Receipt of a Bribe by an Agent of an Indian Tribal Government Receiving Federal Funds, Paying a Bribe to an Agent of an Indian Tribal Government Receiving Federal Funds; 18 U.S.C. § 1957(a): Engaging in Monetary Transactions in Property Derived From Specified Unlawful Activity; 18 U.S.C. §§ 981(a)(1), 982(a)(1), 21 U.S.C. § 2461(c): Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. The Twenty-Nine Palms Band of Mission Indians ("Tribe") was a Native American tribe. The Tribe's reservation

was located in the Mojave Desert. The Tribe is governed by a Tribal Council led by an elected Tribal Chairman.

2. The Tribe owned Twenty-Nine Palms Enterprises Corp. through which the Tribe operated the Spotlight 29 Casino in Riverside County, within the Central District of California.

3. Defendant GARY EDWARD KOVALL ("KOVALL") was a member of the State Bar of California who represented the Tribe as its legal counsel. Defendant KOVALL maintained an office on the Tribe's property and, according to defendant KOVALL's invoices to the Tribe, defendant KOVALL worked for the Tribe on virtually a daily basis. Among other things, defendant KOVALL attended Tribal Council meetings, negotiated and drafted contracts on behalf of the Tribe, and advised the Tribal Council to enter contracts, including contracts between the Tribe and defendant DAVID ALAN HESLOP ("HESLOP") and contracts between the Tribe and defendant PAUL PHILLIP BARDOS ("BARDOS"). On the advice of defendant KOVALL, moreover, the Tribe created Echo Trail Holdings, LLC, a California limited liability company of which the Tribe is the sole member, to purchase real estate on behalf of the Tribe. Defendant KOVALL drafted the Operating Agreement of Echo Trail Holdings, LLC, and advised the Tribe to enter into it.

4. Defendant HESLOP was introduced to the Tribe by defendant KOVALL. On defendant KOVALL's advice, the Tribe named defendant HESLOP the manager of Echo Trail Holdings, LLC. Pursuant to the Operating Agreement of Echo Trail Holdings, LLC, defendant HESLOP was authorized to manage the company's assets; borrow money (including borrowing money from the Tribe); grant

security interests in the company's assets; refinance debts owed to the company for borrowed money; compromise or release the company's claims or debts; employ persons or entities for the operation and management of the company's business; open bank accounts for the benefit of the company; sign contracts, conveyances, assignments, leases, and agreements affecting the company's business and assets; sign checks and other orders for payment of the company's funds; and sign promissory notes, mortgages, deeds of trust, security agreements, and similar documents. The Tribe paid defendant HESLOP to manage Echo Trail Holdings, LLC, and, on the advice of defendant KOVALL, also paid defendant HESLOP to provide the Tribe with demographic consulting, beginning no later than the mid-2000s.

5. Defendant BARDOS was a licensed general contractor and the sole owner and shareholder of Bardos Construction, Inc., Cadmus Construction Co., and Cadmus Construction, Inc. Defendants HESLOP and KOVALL introduced defendant BARDOS to the Tribe and persuaded the Tribe to contract with defendant BARDOS to act as the Tribe's "owner's representative" in connection with a number of construction improvements to the Spotlight 29 Casino and grounds. Defendant HESLOP explained to the Tribe that, as the Tribe's owner's representative, defendant BARDOS would "review and oversee work of construction contracted by the Tribe with others and protect them [the Tribe] from harm." Defendant KOVALL drafted defendant BARDOS' "owner's representative" agreement with the Tribe, pursuant to which defendant BARDOS was, among other things, to review design and construction proposals, negotiate contracts with contractors and suppliers, inspect

construction work, review invoices, "protect [the Tribe's] interests" with respect to change orders, and verify that all work was completed to the Tribe's satisfaction.

6. Defendant PEGGY ANNE SHAMBAUGH ("SHAMBAUGH") was, at various times relevant to this Indictment, defendant KOVALL's co-habitant, girlfriend, fiancee, or wife.

7. On an annual basis, the United States Environmental Protection Agency ("EPA") provided the Tribe hundreds of thousands of dollars in federal assistance. EPA grant monies were disbursed to the Tribe throughout the year.

B. OBJECTS OF THE CONSPIRACY

8. Beginning no later than in or about September 2006, and continuing through in or about August 2008, in Riverside, San Bernardino, and San Luis Obispo Counties, within the Central District of California, and elsewhere, defendants KOVALL, HESLOP, BARDOS, and SHAMBAUGH, together with others known and unknown to the Grand Jury, conspired and agreed with each other knowingly and intentionally to (i) corruptly accept and agree to accept things of value from a person, that is, monetary payments, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Tribe involving $5,000 or more; and (ii) corruptly give, offer, and agree to give things of value, that is, monetary payments, to any person intending to influence and reward Gary Edward Kovall and David Alan Heslop in connection with a transaction and series of transactions of the Tribe involving $5,000 or more, in violation of Title 18, United States Code, Section 666(a)(1)(B) and (a)(2).

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C. MEANS BY WHICH THE OBJECTS OF THE CONSPIRACY WERE TO BE ACCOMPLISHED

9. The objects of the conspiracy were to be accomplished in substance as follows:

a. Defendants HESLOP and KOVALL would introduce defendant BARDOS to the Tribe and recommend that the Tribe hire defendant BARDOS as the Tribe's "owner's representative" in connection with construction work planned by the Tribe.

b. Defendant KOVALL would persuade the Tribe to enter into a contract with defendant BARDOS, whereby defendant BARDOS would act as the Tribe's "owner's representative" in connection with a number of construction improvements to the Spotlight 29 Casino and grounds.

c. When additional construction or construction oversight would become necessary, defendant BARDOS would submit proposals to perform the work, and defendant KOVALL would advise the Tribe to accept defendant BARDOS' proposals.

d. Defendant BARDOS would pay kickbacks to defendant HESLOP who, in turn, would pay kickbacks to defendant KOVALL, though defendant SHAMBAUGH.

D. OVERT ACTS

10. In furtherance of the conspiracy and to accomplish the objects of the conspiracy, defendants KOVALL, HESLOP, BARDOS, and SHAMBAUGH, and others known and unknown to the Grand Jury, committed various overt acts within the Central District of California and elsewhere, including but not limited to the following:

a. In or about September 2006, defendants HESLOP and

KOVALL introduced defendant BARDOS to the Tribe and recommended that the Tribe hire defendant BARDOS as the Tribe's "owner's representative" in connection with construction work planned by the Tribe.

b. On or about February 1, 2007, defendant KOVALL advised the Tribe to enter into a contract with defendant BARDOS, whereby defendant BARDOS would act as the Tribe's "owner's representative" in connection with a number of construction improvements to the Spotlight 29 Casino and grounds, including a "parking structure located adjacent to the Spotlight 29 casino," for which the Tribe initially paid defendant BARDOS $12,500.00 per month and later $12,500.00 twice per month.

c. On or about March 12, 2007, defendant BARDOS proposed that his company, Cadmus Construction Co., construct the temporary parking lot and access road for $751,995.00.

d. In or about March 2007, defendant KOVALL informed the Tribe that he had compared defendant BARDOS' $751,995.00 proposal to proposals obtained from other contractors, advised the Tribe that accepting defendant BARDOS' proposal would save the Tribe money, and persuaded the Tribe to contract with defendant BARDOS and Cadmus Construction Co. to construct the temporary parking lot and access road for $751,995.00.

e. On or about March 21, 2007, defendant BARDOS contracted with another construction company to construct the temporary parking lot and access road for $291,258.00.

f. On or about May 4 and May 9, 2007, defendant BARDOS provided defendant HESLOP with two checks, totaling $209,082.48, from $751,995.00 the Tribe paid defendant BARDOS to

construct the temporary parking lot and access road.

g. On or about May 10, 2007, defendant HESLOP provided defendant SHAMBAUGH a check in the amount of $80,000.00.

h. On or about May 7, 2007, after the Tribe was required to clear an 80-acre parcel of land as a fire abatement measure, defendant BARDOS proposed that his company, Cadmus Construction Co., perform the disking for $22,250.00.

i. On a date unknown, but between on or about May 7, 2007, and September 20, 2007, defendant KOVALL persuaded the Tribe to accept defendant BARDOS' proposal to clear the 80-acre parcel of land for $22,250.00.

j. On or about August 20, 2007, defendant BARDOS paid another construction company to clear the 80-acre parcel of land for $2,836.19.

k. On or about September 26, 2007, defendant BARDOS, after having been paid $22,250.00 by the Tribe, provided defendant HESLOP with a check in the amount of $11,125.00.

l. On or about October 18, 2007, defendant HESLOP provided defendant SHAMBAUGH a check in the amount of $7,813.00.

m. On or about May 22, 2007, defendant BARDOS proposed that his company, Cadmus Construction Co., perform the oversight of the construction at the Spotlight 29 Casino of a co-generation power plant for $620,000.00, with $120,000.00 "due upon signing" and monthly payments thereafter.

n. On or about June 12, 2007, defendant KOVALL advised the Tribe: (i) it would need an "owner's representative" for the co-generation plant construction project; (ii) defendant BARDOS' existing "owner's representative" contract did not

include this project; (iii) he had compared defendant BARDOS' proposal to the competing proposal; (iv) the Tribe would "save more than $100,000" by selecting defendant BARDOS; and (v) to accept defendant BARDOS' proposal.

o. On or about July 17, 2007, defendant BARDOS, after having been paid $120,000.00 by the Tribe as the "due upon signing" payment for oversight of the co-generation plant construction project, provided defendant HESLOP with a check in the amount of $60,000.00.

p. On or about July 20, 2007, defendant HESLOP provided defendant SHAMBAUGH a check in the amount of $30,000.00.

q. On or about August 22, 2007, defendant BARDOS, after having been paid $31,250.00 by the Tribe as a monthly payment for oversight of the co-generation plant construction project, provided defendant HESLOP with a check in the amount of $15,625.00.

r. On or about August 27, 2007, defendant HESLOP provided defendant SHAMBAUGH a check in the amount of $8,313.00.

s. On or about September 18, 2007, defendant BARDOS, after having been paid $31,250.00 by the Tribe as a monthly payment for oversight of the co-generation plant construction project, provided defendant HESLOP with a check in the amount of $15,625.00.

t. On or about October 4, 2007, defendant HESLOP provided defendant SHAMBAUGH a check in the amount of $13,375.00, including the notation "Partner Payment."

u. On or about October 9, 2007, defendant BARDOS, after having been paid $31,250.00 by the Tribe as a monthly

payment for oversight of the co-generation plant construction project, provided defendant HESLOP with a check in the amount of $15,625.00.

v. On or about October 18, 2007, defendant HESLOP provided defendant SHAMBAUGH a check in the amount of $24,541.00, including the notation "Replacement for May Check."

w. On or about November 9, 2007, defendant BARDOS, after having been paid $31,250.00 by the Tribe as a monthly payment for oversight of the co-generation plant construction project, provided defendant HESLOP with a check in the amount of $15,625.00.

x. On or about November 26, 2007, defendant HESLOP provided defendant SHAMBAUGH a check in the amount of $7,863.00, including the notation "Cadmus."

COUNTS TWO THROUGH NINE

[18 U.S.C. § 666(a)(2)]

11. The Grand Jury repeats and re-alleges paragraph 1 through 7 this Indictment as though fully set forth herein.

12. At all times material to this indictment, the Tribe was a tribal government that received federal assistance in excess of $10,000 during the one-year period beginning May 9, 2007, and ending May 8, 2008.

13. On or about the dates set forth below, in Riverside, San Bernardino, and San Luis Obispo Counties, within the Central District of California, and elsewhere, defendant BARDOS corruptly gave, offered, and agreed to give things of value, that is, the monetary payments set forth below, to any person intending to influence and reward Gary Edward Kovall and David Alan Heslop in connection with a transaction and series of transactions of the Tribe involving $5,000 or more.

COUNT	DATE	CHECK NO.	PAYEE	AMOUNT
TWO	May 9, 2007	None	Alan Heslop	$37,327.48
THREE	July 17, 2007	None	Alan Heslop	$60,000.00
FOUR	Aug. 23, 2007	1009	Alan Heslop	$15,625.00
FIVE	Sept. 18, 2007	1012	Alan Heslop	$15,625.00
SIX	Sept. 26, 2007	1014	Alan Heslop	$11,125.00
SEVEN	Oct. 9, 2007	1016	Alan Heslop	$15,625.00
EIGHT	Nov. 9, 2007	1019	Alan Heslop	$15,625.00
NINE	Dec. 3, 2007	1023	Alan Heslop	$15,625.00

COUNTS TEN THROUGH SEVENTEEN

[18 U.S.C. § 666(a)(1)(B)]

14. The Grand Jury repeats and re-alleges paragraphs 1 through 7 and 12 of this Indictment as though fully set forth herein.

15. On or about the dates set forth below, in Riverside and San Luis Obispo Counties, within the Central District of California, and elsewhere, defendant HESLOP, corruptly solicited and demanded and accepted and agreed to accept things of value from a person, that is, the monetary payments set forth below, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Tribe involving $5,000 or more.

COUNT	DATE	CHECK NO.	PAYEE	AMOUNT
TEN	May 9, 2007	None	Alan Heslop	$37,327.48
ELEVEN	July 17, 2007	None	Alan Heslop	$60,000.00
TWELVE	Aug. 23, 2007	1009	Alan Heslop	$15,625.00
THIRTEEN	Sept. 18, 2007	1012	Alan Heslop	$15,625.00
FOURTEEN	Sept. 26, 2007	1014	Alan Heslop	$11,125.00
FIFTEEN	Oct. 9, 2007	1016	Alan Heslop	$15,625.00
SIXTEEN	Nov. 9, 2007	1019	Alan Heslop	$15,625.00
SEVENTEEN	Dec. 3, 2007	1023	Alan Heslop	$15,625.00

COUNTS EIGHTEEN THROUGH TWENTY-FOUR

[18 U.S.C. § 666(a)(2)]

16. The Grand Jury repeats and re-alleges paragraphs 1 through 7 and 12 of this Indictment as though fully set forth herein.

17. On or about the dates set forth below, in Riverside and San Luis Obispo Counties, within the Central District of California, and elsewhere, defendant HESLOP corruptly gave, offered, and agreed to give things of value, that is, the monetary payments set forth below, to any person intending to influence and reward Gary Edward Kovall in connection with a transaction and series of transactions of the Tribe involving $5,000 or more.

COUNT	DATE	CHECK NO.	PAYEE	AMOUNT
EIGHTEEN	May 10, 2007	4990	Peggy Shambaugh	$80,000.00
NINETEEN	July 20, 2007	5086	Peggy Shambaugh	$30,000.00
TWENTY	Aug. 27, 2007	5120	Peggy Shambaugh	$ 8,313.00
TWENTY-ONE	Oct. 4, 2007	4713	Peggy Shambaugh	$13,375.00
TWENTY-TWO	Oct. 18, 2007	4736	Peggy Shambaugh	$24,541.00
TWENTY-THREE	Oct. 18, 2007	4737	Peggy Shambaugh	$ 7,813.00
TWENTY-FOUR	Nov. 26, 2007	4792	Peggy Shambaugh	$ 7,863.00

COUNTS TWENTY-FIVE THROUGH THIRTY-ONE

[18 U.S.C. §§ 666(a)(1)(B), 2]

18. The Grand Jury repeats and re-alleges paragraphs 1 through 7 and 12 of this Indictment as though fully set forth herein.

19. On or about the dates set forth below, in Riverside County, within the Central District of California, and elsewhere, defendant KOVALL, corruptly solicited and demanded and, aided and abetted by defendant SHAMBAUGH, accepted and agreed to accept things of value from a person, that is, the monetary payments set forth below, intending to be influenced and rewarded in connection with a transaction and series of transactions of the Tribe involving $5,000 or more.

COUNT	DATE	CHECK NO.	PAYEE	AMOUNT
TWENTY-FIVE	May 10, 2007	4990	Peggy Shambaugh	$80,000.00
TWENTY-SIX	July 20, 2007	5086	Peggy Shambaugh	$30,000.00
TWENTY-SEVEN	Aug. 27, 2007	5120	Peggy Shambaugh	$ 8,313.00
TWENTY-EIGHT	Oct. 4, 2007	4713	Peggy Shambaugh	$13,375.00
TWENTY-NINE	Oct. 18, 2007	4736	Peggy Shambaugh	$24,541.00
THIRTY	Oct. 18, 2007	4737	Peggy Shambaugh	$ 7,813.00
THIRTY-ONE	Nov. 26, 2007	4792	Peggy Shambaugh	$ 7,863.00

COUNTS THIRTY-TWO THROUGH FORTY-EIGHT

[18 U.S.C. § 1957]

20. On or about the dates set forth below, in San Bernardino, Riverside, and San Luis Obispo Counties, within the Central District of California, and elsewhere, defendants PAUL PHILLIP BARDOS, DAVID ALAN HESLOP, and PEGGY ANNE SHAMBAUGH, knowing that the funds involved represented the proceeds of some form of unlawful activity, conducted and attempted to conduct, and willfully caused others to conduct, the following monetary transactions, by, through, or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than $10,000, that is, the deposit, withdrawal, transfer, and exchange of United States currency, which property, in fact, was derived from specified unlawful activity, that is, commercial bribery, in violation of California Penal Code section 641.3.

COUNT	DATE	DEFENDANT	MONETARY TRANSACTION
THIRTY-TWO	May 9, 2007	BARDOS	Deposit of check no. 1008, dated May 3, 2007, drawn against Pacific Western Bank account no. XXX-XXX0669 and payable to Cadmus Construction Co. in the amount of $196,440.00.
THIRTY-THREE	May 14, 2007	HESLOP	Deposit of unnumbered check, dated May 9, 2007, drawn against Inland Community Bank account no. XXX XX5634 and payable to Alan Heslop in the amount of $37,327.48.

THIRTY-FOUR	June 6, 2007	BARDOS	Deposit of check no. 1018, dated May 30, 2007, drawn against Pacific Western Bank account no. XXX-XXX0669 and payable to Cadmus Construction Co. in the amount of $38,450.00.
THIRTY-FIVE	July 18, 2007	SHAMBAUGH	Deposit of check no. 4990, dated May 10, 2007, drawn against Mid-State Bank & Trust account no. XXXXX4902, payable to Peggy Shambaugh in the amount of $80,000.00.
THIRTY-SIX	July 18, 2007	BARDOS	Deposit of check no. 1038, dated July 11, 2007, drawn against Pacific Western Bank account no. XXX-XXX0669 and payable to Cadmus Construction Co. in the amount of $120,000.00.
THIRTY-SEVEN	July 23, 2007	SHAMBAUGH	Deposit of check no. 5086, dated July 20, 2007, drawn against Mid-State Bank & Trust account no. XXXXX4902, payable to Peggy Shambaugh in the amount of $30,000.00.
THIRTY-EIGHT	July 23, 2007	HESLOP	Deposit of unnumbered check, dated July 17, 2007, drawn against Inland Community Bank account no. XXX XX5634 and payable to Alan Heslop in the amount of $60,000.00.
THIRTY-NINE	Aug. 22, 2007	BARDOS	Deposit of check no. 87537, dated August 15, 2007, drawn against Pacific Western Bank account no. XXXXX6197 and payable to Cadmus Construction Co. in the amount of $31,250.00.
FORTY	Aug. 27, 2007	HESLOP	Deposit of check no. 1009, dated August 23, 2007, drawn against Inland Community Bank account no. XXX XX5634 and payable to Alan Heslop in the amount of $15,625.00.

FORTY-ONE	Sept. 19, 2007	BARDOS	Deposit of check no. 1058, dated September 13, 2007, drawn against Pacific Western Bank account no. XXX-XXX0669 and payable to Cadmus Construction Co. in the amount of $31,250.00.
FORTY-TWO	Sept. 26, 2007	BARDOS	Deposit of check no. 1067, dated September 20, 2007, drawn against Pacific Western Bank account no. XXX-XXX0669 and payable to Cadmus Construction Co. in the amount of $22,250.00.
FORTY-THREE	Oct. 2, 2007	HESLOP	Deposit of check no. 1012, dated September 18, 2007, drawn against Inland Community Bank account no. XXX XX5634 and payable to Alan Heslop in the amount of $15,625.00.
FORTY-FOUR	Oct. 2, 2007	HESLOP	Deposit of check no. 1014, dated September 26, 2007, drawn against Inland Community Bank account no. XXX XX5634 and payable to Alan Heslop in the amount of $11,125.00.
FORTY-FIVE	Oct. 10, 2007	BARDOS	Deposit of check no. 1068, dated December 3, 2007, drawn against Pacific Western Bank account no. XXX-XXX0669 and payable to Cadmus Construction Co. in the amount of $31,250.00.
FORTY-SIX	Oct. 17, 2007	HESLOP	Deposit of check no. 1016, dated October 9, 2007, drawn against Inland Community Bank account no. XXX XX5634 and payable to Alan Heslop in the amount of $15,625.00.

FORTY-SEVEN	Nov. 13, 2007	BARDOS	Deposit of check no. 1079, dated November 5, 2007, drawn against Pacific Western Bank account no. XXX-XXX0669 and payable to Cadmus Construction Co. in the amount of $31,250.00.
FORTY-EIGHT	Nov. 19, 2007	HESLOP	Deposit of check no. 1019, dated November 9, 2007, drawn against Inland Community Bank account no. XXX XX5634 and payable to Alan Heslop in the amount of $15,625.00.

FORFEITURE ALLEGATION I

[18 U.S.C. § 981(a)(1); 28 U.S.C. § 2461(c); 21 U.S.C. § 853]

[Bribery]

1. The Grand Jury incorporates and realleges all of the allegations contained in the Introductory Allegations and Counts Two through Thirty-One above as though fully set forth in their entirety here for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1); Title 28, United States Code, Section 2461(c); and Title 21, United States Code, Section 853.

2. Defendants KOVALL, HESLOP, BARDOS, and SHAMBAUGH, if convicted of the offense charged in Count One of this Indictment, defendant BARDOS, if convicted of any of the offenses charged in Counts Two through Nine of this Indictment, defendant HESLOP, if convicted of any of the offenses charged in Counts Ten through Twenty-Four of this Indictment, and defendants KOVALL and SHAMBAUGH, if convicted of any of the offenses charged in Counts Twenty-Five through Thirty-One of this Indictment, shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses;

b. A sum of money equal to the total amount of proceeds derived from each such offense for which defendants are convicted, or for which defendants may be held jointly and severally liable.

3. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section

2461(c), defendants KOVALL, HESLOP, BARDOS, and SHAMBAUGH, if so convicted, shall forfeit substitute property, up to the total value of the property described in paragraph 2 above, if, by any act or omission of the defendants, the property described in paragraph 2, or any portion thereof, (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty.

FORFEITURE ALLEGATION II

[18 U.S.C. § 982(a)(1)]

[Money Laundering]

1. The Grand Jury incorporates and realleges all of the allegations contained in the Introductory Allegations and Counts Thirty-Two through Forty-Eight above as though fully set forth in their entirety here for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 982(a)(1).

2. Defendants HESLOP, BARDOS, and SHAMBAUGH, if convicted of any of the offenses charged under Counts Thirty-Two through Forty-Eight of this Indictment, shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property involved in each offense committed in violation of Title 18, United States Code, Section 1957, or conspiracy to commit such offense, for which each defendant is convicted, and all property traceable to such property, including the following:

(1) all money or other property that was the subject of the transaction in violation of Title 18, United States Code, Section 1957;

(2) all commissions, fees, and other property constituting proceeds obtained as a result of that violation;

(3) all property used in any manner or part to commit or to facilitate the commission of that violation;

(4) all property traceable to money or property described in this paragraph 2.a.(1) through 2.a.(3).

b. A sum of money equal to the total amount of money

involved in each offense committed in violation of Title 18, United States Code, Section 1957, or conspiracy to commit such offense, for which the defendant is convicted.

3. Pursuant to Title 21, United States Code, Section 853(p), defendants HESLOP, BARDOS, and SHAMBAUGH, if so convicted, shall forfeit substitute property, up to the total value of the property described in paragraph 2 above, if, by any act or omission of the defendants, any of the foregoing money or property (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be subdivided without difficulty.

A TRUE BILL

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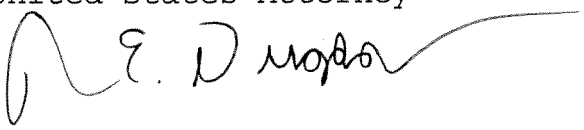
Foreperson

ANDRÉ BIROTTE JR.
United States Attorney



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