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APR 4 2003  
CLERK U.S. DISTRICT COURT  
DISTRICT OF ARIZONA  
DEPUTY

UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

United States of America,  
Plaintiff,

vs.

- 1. John J. Rizzo  
aka John Rizzo-Nix;  
(Counts 1,2,5,7,8,9,13 & 14)
  - 2. Carol A. Rizzo aka  
Carol Rizzo-Nix;  
(Counts 1,10,11,12)
  - 3. Cheryl A. Cully  
aka Chey Cully;  
(Counts 1,3,4, 6)
- Defendants.

CRO3-345-PHX

ROS

INDICTMENT

VIO: 18 U.S.C. § 371  
(Conspiracy to Defraud the  
United States Government)  
COUNT 1

18 U.S.C. § 1623  
(Perjury Before A Federal  
Grand Jury)  
COUNTS 2-4

18 U.S.C. § 1503  
(Obstruction of Justice)  
COUNTS 5 & 6

26 U.S.C. § 7203  
(Willful Failure to File an  
Income Tax Return)  
COUNTS 7-12

26 U.S.C. § 7206(2)  
(Aiding & Assisting in the  
Preparation & Presentation of  
a False Income Tax Return)  
COUNTS 13 & 14

THE GRAND JURY CHARGES:

COUNT 1

INTRODUCTORY ALLEGATIONS

PERSONS AND ENTITIES

1 At all times material to this Indictment:

2 1. Defendant JOHN J. RIZZO, aka John Rizzo-Nix, born June 29, 1951, is a former  
3 part-time municipal court judge in Tolleson, Arizona, who owned, controlled and supervised  
4 the operation of an entity doing business as Millennium Publishing which is a self-described  
5 sole proprietorship and through which the Millennium 2000 Reliance Defense Program was  
6 sold for profit.

7 2. Defendant CAROL A. RIZZO, aka Carol Rizzo-Nix, born September 9, 1945, the  
8 wife of defendant JOHN J. RIZZO, aka John Rizzo-Nix, maintained the books and records  
9 of Millennium Publishing.

10 3. The Sincuidados Community is a gated community located in Scottsdale, Arizona,  
11 where defendants JOHN J. RIZZO and CAROL A. RIZZO have resided and operated their  
12 business since June 2002 in consideration of a rental payment totaling \$4,500 per month.

13 4. Defendant CHERYL A. CULLY aka Chey Cully is a person who did many  
14 different things for the Rizzos including, but not limited to, opening a mail drop address  
15 located at 8912 East Pinnacle Peak Road, Number 415, Scottsdale, Arizona.

16 5. The Internal Revenue Service is an agency of the United States Department of  
17 Treasury and is responsible for administering and enforcing the tax laws of the United States  
18 of America and collecting taxes owed to the United States Department of Treasury by  
19 citizens of the United States.

20 THE CONSPIRACY

21 1. Beginning on a precise date unknown to the Grand Jury, but starting by  
22 approximately March 29, 1996, and continuing thereafter up to and including the date of  
23 this Indictment, in the District of Arizona and elsewhere, defendants JOHN J. RIZZO aka  
24 John Rizzo-Nix, CAROL A. RIZZO aka Carol Rizzo-Nix and CHERYL A. CULLY aka  
25 Chey Cully, and others known and unknown to the Grand Jury, did unlawfully, willfully,  
26 and knowingly conspire, combine, confederate, and agree together and with each other,

1 and with individuals known and unknown to the Grand Jury, to defraud the United States  
2 Government by dishonest and deceitful means for the purpose of impeding, impairing,  
3 obstructing and defeating the lawful functions of the U.S. Department of Treasury,  
4 Internal Revenue Service, in the ascertainment, computation, assessment, and collection  
5 of income taxes.

6  
7 THE MANNER AND MEANS BY WHICH THE  
8 CONSPIRACY WAS CARRIED OUT

9 2. The dishonest and deceitful manner and means by which the conspiracy was  
10 sought to be accomplished included, among others, the following:

11 a). Beginning on a precise date unknown to the Grand Jury, and continuing until  
12 the date of this Indictment, defendants JOHN J. RIZZO, CAROL A. RIZZO, CHERYL  
13 A. CULLY and others known and unknown to the Grand Jury devised a scheme to hide  
14 income the Rizzos earned from a business they owned and operated which sold a tax  
15 evasion scheme product called the Millennium 2000 Reliance Defense Program to  
16 individual clients for personal financial gain.

17 b). During the years in issue, defendants JOHN J. RIZZO and CAROL A. RIZZO  
18 concealed from the Internal Revenue Service of the U.S. Department of Treasury, and the  
19 State of Arizona, income that they earned from, including but not limited to, the sale of  
20 the Millennium 2000 Reliance Defense Program and Opinion Letters. Defendants JOHN  
21 J. RIZZO and CAROL A. RIZZO concealed their income by requesting payments in cash,  
22 money orders and checks with the payee lines left blank, and by use of a domestic bank  
23 account containing a social security number that did not belong to them and a foreign  
24 bank account located in the City of Nassau and Country of the Bahamas to which they  
25 directed the sum of \$301,700.00.

26 c). In order to conceal income that they earned during the years in issue,  
defendants JOHN J. RIZZO and CAROL A. RIZZO possessed a black 2000 model

1 Cadillac Escalade, a red 2000 Dodge Durango, a red Chevrolet Corvette, and a red 1999  
2 Chevrolet Tracker some of which were not registered in their own names and continued to  
3 only utilize State of Nevada Driver's Licenses after relocating to the State of Arizona.

4 d). During the calendar years 2002 and 2003, defendants JOHN J. RIZZO and  
5 CAROL A. RIZZO have resided within the gated community of Sincuidados, located at  
6 8300 East Dixileta Drive, Lot 310, Scottsdale, Arizona, for the monthly sum of \$4,500.00  
7 and a security deposit totaling \$5,500.00.

8 e). In order to further conceal income they earned during the years in issue,  
9 defendants JOHN J. RIZZO, CAROL A. RIZZO and CHERYL A. CULLY did not file  
10 any U.S. individual income tax returns with the U.S. Department of Treasury, Internal  
11 Revenue Service and the State of Arizona. For these years, defendants JOHN J. RIZZO,  
12 CAROL A. RIZZO and CHERYL A. CULLY failed to report any items of gross income,  
13 deductions, and credits to the Internal Revenue Service of the U.S. Department of  
14 Treasury and to the State of Arizona.

15 OVERT ACTS

16 3. In furtherance of the conspiracy, and to effect the objects thereof, the  
17 following overt acts, among others, were committed in the District of Arizona and  
18 elsewhere:

19 a). On or about March 29, 1996, defendants JOHN J. RIZZO, CAROL A.  
20 RIZZO and another individual known to the Grand Jury opened a bank account at the  
21 Bank of America with a social security number which did not belong to them and from  
22 which bank account defendants JOHN J. RIZZO and CAROL A. RIZZO thereafter used  
23 to deposit business receipts of Millennium Publishing and the Millennium 2000 Reliance  
24 Defense Program.

25 b). On or about January 19, 2001, defendant CAROL A. RIZZO mailed a Federal  
26 Express envelope with an International Air Waybill commodity description stating the

1 package contained "Business Documents" when in truth and fact, as opened by the United  
2 States Customs Service the package contained the undeclared sum of \$301,700.00 in  
3 checks, money orders and personal checks payable to defendant JOHN J. RIZZO and  
4 intended for export from the United States of America for deposit into a foreign bank  
5 account held by defendants JOHN J. RIZZO and CAROL A. RIZZO in the City of  
6 Nassau and Country of Bahamas where they also own a residence.

7 c). On or about March 23, 2001, defendant CHERYL A. CULLY went to a Mail  
8 Boxes, Etc. location and opened a mail box address of 8912 East Pinnacle Peak Road,  
9 #415, Scottsdale, Arizona 85255, in her own name for use by defendants JOHN J. RIZZO  
10 and CAROL A. RIZZO.

11 d). On or about May 24, 2002, defendants JOHN J. RIZZO and CAROL A.  
12 RIZZO filled out a house rental application listing defendant JOHN J. RIZZO as the  
13 owner of Millennium Publishing, 8912 E. Pinnacle Peak Road, for the past 20 years with  
14 a monthly income totaling \$25,000.00.

15 e). On or about June 1, 2002, defendants JOHN J. RIZZO and CAROL A.  
16 RIZZO met with a security supervisor at the gated community of Sincuidados and filled  
17 out a Safeguard Security Resident Gate Information form on which their listed names  
18 were "John Rizzo-Nix" and spouse "Carol", a security code word "Customs", and a list of  
19 individuals who could enter the property without a phone call, including "Chey Cully."

20 f). On January 29, 2003, defendant CHERYL A. CULLY provided false and  
21 misleading testimony under oath before a federal grand jury in the District of Arizona.

22 g). On January 29, 2003, defendant JOHN J. RIZZO provided false and  
23 misleading testimony under oath before a federal grand jury in the District of Arizona.

24 h). On January 30, 2003, defendant CHERYL A. CULLY provided false and  
25 misleading testimony under oath before a federal grand jury in the District of Arizona.

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

1 COUNT 2

2 The Grand Jury further charges and incorporates by reference the introductory  
3 allegations as if fully set forth herein:

4 1. On January 29, 2003, in the District of Arizona, the defendant JOHN J.  
5 RIZZO, having taken an oath under penalty that he would testify truthfully, and while  
6 testifying before a grand jury in the District of Arizona, a grand jury of the United States  
7 duly empaneled and sworn in the District of Arizona, knowingly made false material  
8 declarations as set forth below.

9 2. At the time and place aforesaid, the Grand Jury was conducting an  
10 investigation of defendant JOHN J. RIZZO and others of possible Title 26 tax violations,  
11 including, among other offenses, Failure to File Returns in violation of Title 26, United  
12 States Code, Section 7203.

13 3. That it was material to said investigation to determine, among other things,  
14 whether defendant JOHN J. RIZZO willfully failed to file tax returns since 1989 and  
15 assisted others in similar illegal conduct.

16 4. On January 29, 2003, in the District of Arizona, defendant JOHN J. RIZZO,  
17 knowing that he was the target of a criminal investigation, voluntarily asked to appear  
18 before the Grand Jury, and upon doing so and having been advised of his rights and  
19 having taken an oath that he would testify truthfully, did knowingly declare before the  
20 Grand Jury with respect to the aforesaid material matter, as follows:

21 Q. Just a few questions. You have -- you sell books and materials as a -  
22 - so you're self employed. So do you file any personal income tax  
23 with the United States government in regards to the sale of these  
24 books and materials and advice that you give for which you charge  
25 money?

26 A. If you're asking me if I'm reporting that income, the answer is yes.

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If you're asking me if I'm filing tax returns, I have to answer honestly and say that in my recollection I believe I have filed all those returns.

Q. So you're current on your -- on filing returns up to right now?

A. I believe that the -- I want to make sure I answer you accurately. I know for a fact that there were some years, and I'm going back quite a few years, that were not filed as a result of me not having sufficient income to meet the criteria level to file a return. The subsequent years I believe were in fact filed. I can't answer as to whether I'm current or not. I believe that may be the case, but without looking I couldn't answer you honestly.

\* \* \*

Q. Some of the witnesses we heard after hearing your presentation believe you had not paid taxes in recent years and did not intend to. Would that be a correct statement?

A. Well, that's an incorrect statement if I filed my tax returns, absolutely.

Q. Did you tell them that you did not file your taxes, or did you give them the impression you hadn't or wouldn't file your taxes.

A. You know, again I'm going back to -- I can't tell you what their state of mind is or what they may have gleaned from something I said, but I don't recall specifically saying that I did not file my taxes.

Q. Let me clear this up here. You're saying that would be an incorrect statement if you had filed the tax returns. Have you filed them?

A. I think I already answered that question.

Q. Have you filed your tax returns?



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A. I think my answer is yes.

~~Q. Not whether you think, your answer~~

A. My answer is yes.

Q. And you are current for every year including this last year, the year 2001?

A. To my knowledge my answer is yes.

Q. Not to your knowledge. Have you filed a tax return, did you sign a 1040 or a 1040-A federal tax return and submit it to the IRS?

A. Okay. In my mind I'm going to respond to you by saying this, I believe that your question was asked and I already gave the answer.

Q. Have you filed a tax return for the year 2001?

A. I can't -- I cannot answer that question without reviewing the records as to whether or not I filed a return, but I believe that I have filed that return, yes, sir.

5. The aforesaid testimony of defendant JOHN J. RIZZO, as he then and there well knew and believed, was false in that defendant JOHN J. RIZZO had not filed with the Internal Revenue Service of the U.S. Department of Treasury an income tax return since at least 1995.

All in violation of Title 18, United States Code, Section 1623.

**COUNT 3**

The Grand Jury further charges and incorporates by reference the introductory allegations as if fully set forth herein:

1. On January 29, 2003, in the District of Arizona, the defendant CHERYL A. CULLY having taken an oath under penalty that she would testify truthfully, and while testifying before a grand jury in the District of Arizona, a grand jury of the United States

1 duly empaneled and sworn in the District of Arizona, knowingly made false material  
2 declarations as set forth below.

3 2. At the time and place aforesaid, the Grand Jury was conducting an  
4 investigation of defendant John J. Rizzo and others for possible Title 26 tax violations,  
5 including, among other offenses, Income Tax Evasion in violation of Title 26, United  
6 States Code, Section 7201.

7 3. That it was material to said investigation to determine, among other things,  
8 whether defendant John J. Rizzo had earned unreported income, the source of that  
9 income and the manner and means of the disposition of any unreported income  
10 attributable to defendant John J. Rizzo.

11 4. On January 29, 2003, in the District of Arizona, defendant CHERYL A.  
12 CULLY, appeared before the Grand Jury, and upon doing so and having been advised of  
13 her rights and having taken an oath that she would testify truthfully, did knowingly  
14 declare before the Grand Jury with respect to the aforesaid material matter, as follows:

15 Q. Now there was an entity by the name of Millennium Publishing, was  
16 there not?

17 A. Yes.

18 Q. What was that?

19 A. That's John's company, I guess, or you know.

20 Q. Is that company filed or listed anywhere?

21 A. I have no idea.

22 Q. Do you know where it's actually physically located, where  
23 it does business from?

24 A. They used to have an office, but they vacated the office, rent reasons,  
25 I guess, I don't know, but I don't know where they're at now as  
26 opposed to who's working or what they're doing.

\* \* \*

1 Q. Did you ever open a mailbox for the Rizzos or for yourself?

2 A. No.

3 \* \* \*

4 Q. And would you have opened a mailbox mail receptacle box then  
5 somewhere in Scottsdale?

6 A. No.

7 Q. Or anywhere else in the state?

8 A. No.

9 \* \* \*

10 Q. And you do not know where they live?

11 A. I know they moved out of the house on Jomax and they moved into  
12 another house and I haven't been to this house yet.

13 5. The aforesaid testimony of defendant CHERYL A. CULLY, as she then and  
14 there well knew and believed, was false in that defendant CHERYL A. CULLY  
15 1) in truth and fact opened a mail receptacle box located at 8912 East Pinnacle Peak  
16 Road, #415, Scottsdale, Arizona, which was used by John and Carol Rizzo and 2) was a  
17 regular and authorized visitor to the home of defendants John J. Rizzo and Carol A.  
18 Rizzo located at 8300 East Dixileta Drive, Lot 310, Scottsdale, Arizona, and within the  
19 gated community of Sincuidados.

20 All in violation of Title 18, United States Code, Section 1623.

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22 **COUNT 4**

23 The Grand Jury further charges and incorporates by reference the introductory  
24 allegations as if fully set forth herein:

25 1. On January 30, 2003, in the District of Arizona, the defendant CHERYL A.  
26 CULLY having taken an oath under penalty that she would testify truthfully, and while

1 testifying before a grand jury in the District of Arizona, a grand jury of the United States  
2 duly empaneled and sworn in the District of Arizona, knowingly made false material  
3 declarations as set forth below.

4 2. At the time and place alleged, the grand jury was conducting an investigation  
5 of defendant John J. Rizzo and others of possible Title 26 tax violations, including,  
6 among other offenses, Income Tax Evasion in violation of Title 26, United States Code,  
7 Section 7201.

8 3. That it was material to said investigation to determine, among other things,  
9 whether defendant John J. Rizzo had earned unreported income, the source of that  
10 income and the manner and means of the disposition of any unreported income  
11 attributable to defendant John J. Rizzo.

12 4. On January 30, 2003, in the District of Arizona, defendant CHERYL A.  
13 CULLY, appeared before the grand jury, having been previously advised of her rights  
14 and once again having taken an oath that she would testify truthfully, did knowingly  
15 declare as follows:

16 Q. And what about the house they have now?

17 A. I don't know if they're renting or owning.

18 Q. Where is it by?

19 A. I don't know. I haven't been to that one yet. I was at their last house  
20 for a pool party.

21 5. The aforesaid testimony of defendant CHERYL A. CULLY, as she then and  
22 there well knew and believed, was false in that defendant CHERYL A. CULLY was a  
23 regular and authorized visitor to the home of defendants John J. Rizzo and Carol A.  
24 Rizzo located at 8300 East Dixileta Drive, Lot 310, Scottsdale, Arizona, and within the  
25 gated community of Sincuidados.

26 All in violation of Title 18, United States Code, Section 1623.

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COUNT 5

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The Grand Jury charges and incorporates the introductory allegations by reference as if fully set forth herein:

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On or about January 29, 2003, in the District of Arizona, defendant JOHN J.

5

RIZZO, did corruptly influence, obstruct and impede and endeavored to influence,

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obstruct and impede the due administration of justice, by providing false and misleading

7

testimony under oath to a federal grand jury in the District of Arizona, including but not

8

limited to the following answers provided to questions posed:

9

Q. Just a few questions. You have -- you sell books and materials as a -

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- so you're self employed. So do you file any personal income tax

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with the United States government in regards to the sale of these

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books and materials and advice that you give for which you charge

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money?

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A. If you're asking me if I'm reporting that income, the answer is yes.

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If you're asking me if I'm filing tax returns, I have to answer

16

honestly and say that in my recollection I believe I have filed all

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those returns.

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Q. So you're current on your -- on filing returns up to right now?

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A. I believe that the -- I want to make sure I answer you accurately. I

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know for a fact that there were some years, and I'm going back quite

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a few years, that were not filed as a result of me not having sufficient

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income to meet the criteria level to file a return. The subsequent

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years I believe were in fact filed. I can't answer as to whether I'm

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current or not. I believe that may be the case, but without looking I

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couldn't answer you honestly.

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- 1 Q. You said that you're current on your taxes, are you referring to  
2 personal income taxes or business taxes?
- 3 A. Personal income taxes, because it's a sole proprietorship.
- 4 Q. In that respect also since you don't keep records past the invoices,  
5 how do you present an accurate number to the government as far as  
6 your income and what your business has done?
- 7 A. Well, as I said, it's a question that I can't answer because my wife  
8 does all of that. Essentially when I prepare a tax return or have it  
9 prepared, she gives me a number to work with and that's what we  
10 take to the people that have them prepared or if I prepare it, that's the  
11 number that I use. That's probably a question better posed to her  
12 than it would be to me. I just don't have that answer.
- 13 Q. Are you saying that you are current on you -- you have filed, you and  
14 your wife have filed income tax returns with the federal government  
15 up to date, you're current every year?
- 16 A. When you're saying up to date, can you clarify for me as to what the  
17 last year would be when you're talking about up to date?
- 18 Q. Let's take the 1997 tax year, for example, have you and your wife  
19 filed a tax return with the federal government, a form 1040, for  
20 example?
- 21 A. 1997 I don't recall. Memory tells me that in '97 and '98 were very  
22 lean years and probably didn't make enough money to file, but I  
23 could be incorrect. I could certainly look back and see if I can find  
24 copies of what was filed.
- 25 Q. So you're saying that if we look, that we will find filed tax returns on  
26 behalf -- on your behalf and your wife's behalf during the past 10

1 years?

2 A. I can't testify as to what you might find, but I can tell you that if tax  
3 returns were filed they would be there. And I'm sure that CID has  
4 already looked for them. And I already had a discussion with CID,  
5 and based on a discussion that if I had with you with regard to what  
6 the grand jury is looking at, possible charges, one of them is failure  
7 to file. And that's why I kind of chuckled because I can produce the  
8 tax returns, the copies of the tax returns that I had. If CID can't find  
9 them, that's not my problem.

10 Q. What name are they under?

11 A. The same names that you have for us. We don't hide this.

12 Q. Fine.

13 A. I mean it wouldn't make any sense to file them under a different  
14 name.

15 \* \* \*

16 Q. Some of the witnesses we heard after hearing your presentation  
17 believe you had not paid taxes in recent years and did not intend to.  
18 Would that be a correct statement?

19 A. Well, that's an incorrect statement if I filed my tax returns,  
20 absolutely.

21 Q. Did you tell them that you did not file your taxes, or did you give  
22 them the impression you hadn't or wouldn't file your taxes.

23 A. You know, again I'm going back to -- I can't tell you what their state  
24 of mind is or what they may have gleaned from something I said, but  
25 I don't recall specifically saying that I did not file my taxes.

26 Q. Let me clear this up here. You're saying that would be an incorrect

1 statement if you had filed the tax returns. Have you filed them?

2 A. I think I already answered that question.

3 Q. Have you filed your tax returns?

4 A. I think my answer is yes.

5 Q. Not whether you think, your answer --

6 A. My answer is yes.

7 Q. And you are current for every year including this last year, the year  
8 2001?

9 A. To my knowledge my answer is yes.

10 Q. Not to your knowledge. Have you filed a tax return, did you sign a  
11 1040 or a 1040-A federal tax return and submit it to the IRS?

12 A. Okay. In my mind I'm going to respond to you by saying this, I  
13 believe that your question was asked and I already gave the answer.

14 Q. Have you filed a tax return for the year 2001?

15 A. I can't -- I cannot answer that question without reviewing the records  
16 as to whether or not I filed a return, but I believe that I have filed that  
17 return, yes, sir.

18 \* \* \*

19 Q. One follow-up. With respect to the Sixteenth Amendment argument,  
20 sitting here today, are you aware that the Sixteenth Amendment  
21 defense for filing tax returns has been rejected by the courts of the  
22 United States of America?

23 A. I'm aware that the courts have rejected the arguments, but I'm also  
24 aware that the courts have never examined the documentation. And I  
25 never told anybody to stop filing tax returns based on the Sixteenth  
26 Amendment, but it's my belief that the Sixteenth Amendment was



1 never ratified by my examination of the documents which the grand  
2 jury is more than welcome to look at for themselves and make their  
3 own determination.

4 Q. But you have not taken any action yourself based upon this belief?

5 A. I don't believe that I have. I believe that it wasn't ratified, I didn't  
6 say paying taxes was illegal.

7 Q. I'm saying you sold materials, have you not, Mr. Benson and others  
8 have put together --

9 A. That's correct.

10 Q. -- advocating that the Sixteenth Amendment was never ratified?

11 A. That's correct.

12 Q. Have you personally taken any action consistent with this belief?

13 A. Describe what you mean by any action.

14 Q. Not filing tax returns?

15 A. I think I already testified to that.

16 All in violation of Title 18, United States Code, Section 1503.

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18 **COUNT 6**

19 The Grand Jury charges and incorporates by reference the introductory allegations  
20 as if fully set forth herein:

21 On January 29, 2003, and January 30, 2003, in the District of Arizona, defendant  
22 CHERYL A. CULLY, did corruptly influence, obstruct and impede and endeavored to  
23 influence, obstruct and impede the due administration of justice, by providing false and  
24 misleading testimony under oath to a federal grand jury in the District of Arizona,  
25 including but not limited to the following answers provided to questions posed:

26 Q. Now there was an entity by the name of Millennium Publishing,

1 was there not?

2 A. Yes.

3 Q. What was that?

4 A. That's John's company, I guess, or you know.

5 Q. Is that company filed or listed anywhere?

6 A. I have no idea.

7 Q. Do you know where it's actually physically located, where  
8 it does business from?

9 A. They used to have an office, but they vacated the office, rent reasons,  
10 I guess, I don't know, but I don't know where they're at now as  
11 opposed to who's working or what they're doing.

12 \* \* \*

13 Q. Did you ever open a mailbox for the Rizzos or for yourself?

14 A. No.

15 \* \* \*

16 Q. And would you have opened a mailbox mail receptacle box then  
17 somewhere in Scottsdale?

18 A. No.

19 Q. Or anywhere else in the state?

20 A. No.

21 \* \* \*

22 Q. And you do not know where they live?

23 A. I know they moved out of the house on Jomax and they moved into  
24 another house and I haven't been to this house yet.

25 \* \* \*

26 Q. And what about the house they have now?

1 A. I don't know if they're renting or owning.

2 Q. Where is it by?

3 A. I don't know. I haven't been to that one yet. I was at their last house  
4 for a pool party.

5 All in violation of Title 18, United States Code, Section 1503.

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7 **COUNT 7**

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9 The Grand Jury Further Charges:

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That during the calendar year 1999, in the District of Arizona, defendant JOHN J. RIZZO, a resident of the State of Arizona, had received sufficient gross income that he was required by law, following the close of the calendar year 1999, and on or before April 15, 2000, to make an income tax return to the Internal Revenue Service within the Judicial District of Arizona, or to the Internal Revenue Service Center, at Ogden, Utah, or other proper officer of the United States Government, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that well-knowing and believing all of the foregoing, defendant JOHN J. RIZZO did willfully fail to make an income tax return to Internal Revenue Service, to the Internal Revenue Service Center, or to any other proper officer of the United States Government.

All in violation of Title 26, United States Code, Section 7203.

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28 **COUNT 8**

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30 The Grand Jury Further Charges:

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That during the calendar year 2000, in the District of Arizona, defendant JOHN J. RIZZO, a resident of the State of Arizona, had received sufficient gross income that he was required by law, following the close of the calendar year 2000, and on or before April 15, 2001, to make an income tax return to the Internal Revenue Service within the Judicial District of Arizona, or to the Internal Revenue Service Center, at Ogden, Utah,

1 or other proper officer of the United States Government, stating specifically the items of  
2 his gross income and any deductions and credits to which he was entitled; that well-  
3 knowing and believing all of the foregoing, defendant JOHN J. RIZZO did willfully fail  
4 to make an income tax return to Internal Revenue Service, to the Internal Revenue  
5 Service Center, or to any other proper officer of the United States Government.

6 All in violation of Title 26, United States Code, Section 7203.

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8 **COUNT 9**

9 The Grand Jury Further Charges:

10 That during the calendar year 2001, in the District of Arizona, defendant JOHN J.  
11 RIZZO, a resident of the State of Arizona, had received sufficient gross income that he  
12 was required by law, following the close of the calendar year 2001, and on or before  
13 April 15, 2002, to make an income tax return to the Internal Revenue Service within the  
14 Judicial District of Arizona, or to the Internal Revenue Service Center, at Ogden, Utah,  
15 or other proper officer of the United States Government, stating specifically the items of  
16 his gross income and any deductions and credits to which he was entitled; that well-  
17 knowing and believing all of the foregoing, defendant JOHN J. RIZZO did willfully fail  
18 to make an income tax return to Internal Revenue Service, to the Internal Revenue  
19 Service Center, or to any other proper officer of the United States Government.

20 All in violation of Title 26, United States Code, Section 7203.

21 **COUNT 10**

22 The Grand Jury Further Charges:

23 That during the calendar year 1999, in the District of Arizona, defendant CAROL  
24 A. RIZZO, a resident of the State of Arizona, had received sufficient gross income that  
25 she was required by law, following the close of the calendar year 1999, and on or before  
26 April 15, 2000, to make an income tax return to the Internal Revenue Service within the

1 Judicial District of Arizona, or to the Internal Revenue Service Center, at Ogden, Utah,  
2 or other proper officer of the United States Government, stating specifically the items of  
3 her gross income and any deductions and credits to which she was entitled; that well-  
4 knowing and believing all of the foregoing, defendant CAROL A. RIZZO did willfully  
5 fail to make an income tax return to Internal Revenue Service, to the Internal Revenue  
6 Service Center, or to any other proper officer of the United States Government.

7 All in violation of Title 26, United States Code, Section 7203.

8 COUNT 11

9 The Grand Jury Further Charges:

10 That during the calendar year 2000, in the District of Arizona, defendant CAROL  
11 A. RIZZO, a resident of the State of Arizona, had received sufficient gross income that  
12 she was required by law, following the close of the calendar year 2000, and on or before  
13 April 15, 2001, to make an income tax return to the Internal Revenue Service within the  
14 Judicial District of Arizona, or to the Internal Revenue Service Center, at Ogden, Utah,  
15 or other proper officer of the United States Government, stating specifically the items of  
16 her gross income and any deductions and credits to which she was entitled; that well-  
17 knowing and believing all of the foregoing, defendant CAROL A. RIZZO did willfully  
18 fail to make an income tax return to Internal Revenue Service, to the Internal Revenue  
19 Service Center, or to any other proper officer of the United States Government.

20 All in violation of Title 26, United States Code, Section 7203.

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22 COUNT 12

23 The Grand Jury Further Charges:

24 That during the calendar year 2001, in the District of Arizona, defendant CAROL  
25 A. RIZZO, a resident of the State of Arizona, had received sufficient gross income that  
26 she was required by law, following the close of the calendar year 2001, and on or before

1 April 15, 2002, to make an income tax return to the Internal Revenue Service within the  
2 Judicial District of Arizona, or to the Internal Revenue Service Center, at Ogden, Utah,  
3 or other proper officer of the United States Government, stating specifically the items of  
4 her gross income and any deductions and credits to which she was entitled; that well-  
5 knowing and believing all of the foregoing, defendant CAROL A. RIZZO did willfully  
6 fail to make an income tax return to Internal Revenue Service, to the Internal Revenue  
7 Service Center, or to any other proper officer of the United States Government.

8 All in violation of Title 26, United States Code, Section 7203.  
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10 **COUNT 13**

11 The Grand Jury Further Charges:

12 On or about November 15, 2000, in the District of Arizona, defendant JOHN J.  
13 RIZZO, did willfully aid and assist in and procure, counsel and advise the preparation  
14 and presentation to the Internal Revenue Service of a Form 1040 U.S. Individual  
15 Income Tax Return for an individual known to the Grand Jury for the tax year 1994,  
16 which was false and fraudulent as to a material matter, in that said tax return reported a  
17 net profit on Line 31, Schedule C totaling \$252,125.00, whereas, as defendant JOHN J.  
18 RIZZO well knew and believed, said income tax return substantially understated net  
19 profit by falsely increasing claimed business expenses.

20 All in violation of Title 26, United States Code, Section 7206(2).  
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22 **COUNT 14**

23 The Grand Jury Further Charges:


24 On or about November 15, 2000, in the District of Arizona, defendant JOHN J.  
25 RIZZO, did willfully aid and assist in and procure, counsel and advise the preparation  
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1 and presentation to the Internal Revenue Service of a Form 1040 U.S. Individual  
 2 Income Tax Return for an individual known to the Grand Jury for the tax year 1995,  
 3 which was false and fraudulent as to a material matter, in that said tax return reported a  
 4 net profit on Line 31, Schedule C totaling \$315,799.00, whereas, as defendant JOHN J.  
 5 RIZZO well knew and believed, said income tax return substantially understated net  
 6 profit by falsely increasing claimed business expenses.

7 All in violation of Title 26, United States Code, Section 7206(2).


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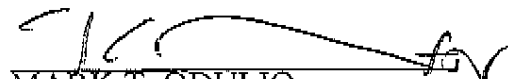
A TRUE BILL

  
 FOREPERSON OF THE GRAND JURY

Date: April 4, 2003

PAUL K. CHARLTON  
 United States Attorney  
 District of Arizona

  
 EDWARD E. GROVES  
 Trial Attorney, Tax Division  
 U.S. Department of Justice

  
 MARK T. ODULIO  
 Trial Attorney, Tax Division  
 U.S. Department of Justice