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6 UNITED STATES DISTRICT COURT  
7 DISTRICT OF NEVADA

8 UNITED STATES OF AMERICA, )  
9 Plaintiff, )  
10 v. )  
11 GARY H. LANE, )  
12 Defendant. )

Criminal No.  
INDICTMENT FOR VIOLATION OF:  
TITLE 18, UNITED STATES CODE  
SECTION 1341 - Mail Fraud (Counts 1 thru 12)  
TITLE 26, UNITED STATES CODE  
SECTION 7201 - Attempt to Evade or Defeat  
Tax (Counts 13 through 17)

3:12-cr-00078-RCJ -VPC

16 THE GRAND JURY CHARGES THAT:

17 COUNT ONE  
18 Mail Fraud

19 1. At all times relevant to this indictment, GARY H. LANE, Defendant herein, was a financial  
20 advisor employed by Bank of America Investment Services which later merged with Merrill Lynch,  
21 hereinafter referred to as "BAI/MER". The Defendant was employed in this position until March, 2011.  
22 During the course of his employment, Defendant developed a scheme to fraudulently entice investors to  
23 invest monies with him through the use of an E-Trade account rather than following appropriate  
24 BAI/MER procedures. The Defendant looked for investors who were elderly or lacked investing  
25 experience and had a desire for high returns and aversion to risk.

26 2. As part of the scheme, LANE told each of these prospective investors that their funds were to be  
27 invested in United States Treasury Bonds which would pay better than six percent interest (6.0%) and  
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1 which would mature within two years. Upon receiving investment monies from the victims, the  
 2 Defendant would corroborate the putative trade by creating false confirmations and distributing these  
 3 false confirmations by mail. Lane also directed his spouse to open and maintain an E-Trade account in  
 4 her own name. The Defendant would then take the investment monies and give them to his spouse who  
 5 mailed them directly to her E-Trade account through use of the United States Mail. Once the funds were  
 6 in the E-Trade account, they were withdrawn at the direction of the Defendant and used for his own use  
 7 or to "pay" other investors' "interest" on their investments in order to continue the scheme.

8 3. The Defendant's promises of purchasing United States Treasury Bonds for the investors were  
 9 never fulfilled and in fact, there was never in existence during the relevant time period any United States  
 10 Treasury Bond with a rate of return in excess of six percent and a maturity period of two years or less.

11 4. At a time unknown to the grand jury but no later than May 16, 2002 and continuing through  
 12 March 7, 2011 in the District of Nevada and elsewhere, the Defendant GARY H. LANE, with the intent  
 13 to defraud devised the above described scheme and artifice to defraud and obtain money by materially  
 14 false and fraudulent pretenses, representations, and promises.

15 5. On or about January 15, 2010 in the District of Nevada for purposes of executing or attempting  
 16 to execute the above-described scheme and artifice to defraud and deprive, Defendant knowingly  
 17 deposited and caused to be deposited into, and to be sent and delivered by the United States Mail a check  
 18 received from SEF to E-Trade account \*\*\*\*-7536 in the amount of \$200,000; all in violation of Title 18,  
 19 United States Code, Section 1341.

20 COUNTS 2 through 12 incorporate by reference Paragraphs 1 through 4 of Count One and  
 21 Paragraph 5 as if fully described therein, except for date of offense, transaction type and description,  
 22 amount and investor.

A	B	C	D	E	F
Count	Date	Transaction Type	Description	Deposits	Investor
2	03/24/2010	Deposit	Check Deposit	50,000	RB
3	04/05/2010	Deposit	Check Deposit	100,000	RAS
4	06/04/2010	Deposit	Check Deposit	200,000	SEF

5	06/28/2010	Deposit	Check Deposit	500,000	HA
6	09/23/2010	Deposit	Check Deposit	500,000	MW
7	11/15/2010	Deposit	Check Deposit	250,000	MW
8	11/22/2010	Deposit	Check Deposit	200,000	SEF
9	12/08/2010	Deposit	Check Deposit	50,000	RB
10	12/20/2010	Deposit	Check Deposit	78,000	RYA
11	02/07/2011	Deposit	Check Deposit	100,000	RB
12	03/07/2011	Deposit	Check Deposit	50,000	RB

All in violation of Title 18, United States Code, Section 1341.

**COUNT 13**  
Evasion of Income Tax

On or about April 14, 2007 in the District of Nevada, GARY H. LANE, Defendant herein, a resident of Washoe County, Nevada, did willfully attempt to evade and defeat a large part of the income tax due and owing by him to the United States of America for calendar year 2006 by preparing and causing to be prepared and by signing and causing to be signed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service wherein for said calendar year he listed as adjusted gross income the sum of \$109,644, taxable income of \$762, and that the amount of tax due and owing thereon was a sum of \$38 whereas, as he then and there well knew and believed, his taxable income for the said calendar year was substantially in excess of that heretofore stated and that upon said additional taxable income, an additional tax was due and owing to the United States of America; all in violation of Title 26, United States Code, Section 7201.

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1 Counts 14 through 17 incorporate by reference Count 13 as if fully described therein, except for  
 2 the calendar year, date filed, adjusted gross income, taxable income and amount of tax due and owing.

Count	Calendar Year	Date Filed	Adjusted Gross Income	Taxable Income	Amount of Tax Due and Owing
14	2007	04/11/2008	201,898	27,268	3,299
15	2008	04/06/2009	346,406	103,765	18,627
16	2009	04/08/2010	235,793	2,930	294
17	2010	03/08/2011	684,812	25,641	3,006

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8 All in violation of Title 26, United States Code, Section 7201.

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10 A TRUE BILL:

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13 \_\_\_\_\_  
14 FOREPERSON

15 DANIEL G. BOGDEN  
16 United States Attorney

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18 RONALD C. RACHOW  
19 Assistant United States Attorney  
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