

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

APR 08 2008

JAMES BONINI, Clerk
DAYTON, OHIO

3:08 cr 053

WALTER HERBERT RICE

UNITED STATES OF AMERICA)
)
 v.)
)
 ELBERT LEE HALE (1),)
)
 and)
)
 JOYCE A. HALE (2))
)
 Defendants.)

I N D I C T M E N T

18 U.S.C. § 1001
26 U.S.C. § 7206(1)
31 U.S.C. § 5324(a)(3) & (d)

THE GRAND JURY CHARGES THAT:

COUNT 1
(Making A False Statement)

1. On or about May 12, 2006, in the Southern District of Ohio, in a matter within the jurisdiction of the Department of the Treasury, an agency of the United States, the defendant, JOYCE A. HALE, did knowingly and willfully make a false material representation, to wit: that she was personally unaware of how business receipts and other income generated by female dancers who performed in the Couch Room and VIP Room of the Cheeks Gentleman's Club located at 906 Watertown Lane, West Carrollton, Ohio a/k/a Cheeks Cabaret, a/k/a 906 Watertown Lane, Inc., were accounted for.

In violation of Title 18 U.S.C. § 1001.

COUNT 2
(Making A False Statement)

2. On or about May 12, 2006, in the Southern District of Ohio, in a matter within the jurisdiction of the Department of the Treasury, an agency of the United States, the defendant, **JOYCE A. HALE**, did knowingly and willfully make a false material representation, to wit: that she was personally unaware of the existence of any accounting books or ledgers established and maintained to record the business income and receipts of the Cheeks Gentleman's Club located at 906 Watertown Lane, West Carrollton, Ohio a/k/a Cheeks Cabaret, a/k/a 906 Watertown Lane, Inc.

In violation of Title 18 U.S.C. § 1001.

COUNT 3
(Making False Statements on an Income Tax Return)

3. That on or about March 11, 2003, in the Southern District of Ohio, the defendant **ELBERT LEE HALE**, a resident of Washington Township, Ohio, in his capacity as a corporate officer, did willfully make and subscribe a U.S. Corporation Income Tax Return (IRS Form 1120) for calendar year 2002, on behalf of 906 Watertown Lane, Inc., d/b/a Cheeks Cabaret, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said income tax return he did not believe to be

true and correct as to every material matter in that said return reported gross receipts on Line 1, in the amount of \$729,783, whereas, as he then and there well knew and believed, 906 Watertower Lane, Inc., d/b/a Cheeks Cabaret received gross receipts in addition to that heretofore stated.

In violation of Title 26 U.S.C. § 7206(1).

COUNT 4

(Making False Statements on an Income Tax Return)

4. That on or about March 14, 2004, in the Southern District of Ohio, the defendant **ELBERT LEE HALE**, a resident of Washington Township, Ohio, in his capacity as a corporate officer, did willfully make and subscribe a U.S. Corporation Income Tax Return (IRS Form 1120) for calendar year 2003, on behalf of 906 Watertower Lane, Inc., d/b/a Cheeks Cabaret, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said income tax return he did not believe to be true and correct as to every material matter in that said return reported gross receipts on Line 1, in the amount of \$682,553, whereas, as he then and there well knew and believed, 906 Watertower Lane, Inc., d/b/a Cheeks Cabaret received gross receipts in addition to that heretofore stated.

In violation of Title 26 U.S.C. § 7206(1).

COUNT 5

(Making False Statements on an Income Tax Return)

5. That on or about March 10, 2005, in the Southern District of Ohio, the defendant **ELBERT LEE HALE**, a resident of Washington Township, Ohio, in his capacity as a corporate officer, did willfully make and subscribe a U.S. Corporation Income Tax Return (IRS Form 1120) for calendar year 2004, on behalf of 906 Watertower Lane, Inc., d/b/a Cheeks Cabaret, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said income tax return he did not believe to be true and correct as to every material matter in that said return reported gross receipts on Line 1, in the amount of \$962,409, whereas, as he then and there well knew and believed, 906 Watertower Lane, Inc., d/b/a Cheeks Cabaret received gross receipts in addition to that heretofore stated.

In violation of Title 26 U.S.C. § 7206(1).

COUNTS 6 - 28
(Structuring Financial Transactions)

6. On or about the dates set forth in the schedule below, in the Southern District of Ohio, the defendant, **ELBERT LEE HALE**, knowingly and for the purpose of evading the reporting requirements established under 31 U.S.C. § 5313(a), and the regulations promulgated thereunder, did structure, attempt to structure and assist in structuring, the following currency transactions with U.S. Bank, located at 2100 South Alex Road, West Carrollton, Ohio, a domestic financial institution, using an account number identified herein as XXXXX7061, listed in the name of "Cheeks", each such structured currency transaction identified below being a separate count of this indictment:

<u>Count</u>	<u>Item Date</u>	<u>Posting Date</u>	<u>Time</u>	<u>Amount</u>
6.	7/10/2006	7/10/2006	9:12am	\$8,000.00
	7/11/2006	7/11/2006	11:10am	\$3,760.00
7.	7/29/2006	7/31/2006	10:08am	\$9,000.00
	7/31/2006	7/31/2006	11:15am	\$6,000.00
8.	8/21/2006	8/21/2006	9:49am	\$9,000.00
	8/19/2006	8/21/2006	10:44am	\$7,000.00
9.	9/8/2006	9/8/2006	9:33am	\$9,000.00
	9/9/2006	9/11/2006	9:49am	\$5,000.00
	9/11/2006	9/11/2006	9:07am	\$9,000.00
	9/12/2006	9/12/2006	11:05am	\$4,300.00
10.	9/18/2006	9/18/2006	9:15am	\$8,000.00
	9/19/2006	9/20/2006	10:09am	\$9,000.00
11.	10/23/2006	10/23/2006	9:04am	\$8,000.00
	10/24/2006	10/25/2006	9:45am	\$9,000.00

12.	11/11/2006	11/13/2006	9:44am	\$8,000.00
	11/13/2006	11/13/2006	9:51am	\$8,000.00
13.	12/16/2006	12/18/2006	10:32am	\$9,000.00
	12/19/2006	12/19/2006	9:44am	\$9,000.00
14.	12/23/2006	12/26/2006	10:11am	\$9,000.00
	12/27/2006	12/27/2006	10:40am	\$8,000.00
15.	1/4/2007	1/4/2007	9:39am	\$6,500.00
	1/5/2007	1/5/2007	9:51am	\$5,000.00
16.	1/8/2007	1/8/2007	10:13am	\$5,000.00
	1/8/2007	1/8/2007	11:38am	\$7,000.00
17.	1/11/2007	1/11/2007	10:29am	\$7,500.00
	1/12/2007	1/12/2007	9:42am	\$5,000.00
18.	1/25/2007	1/25/2007	10:00am	\$9,000.00
	1/26/2007	1/26/2007	10:04am	\$5,000.00
19.	2/24/2007	2/26/2007	10:17am	\$9,000.00
	2/26/2007	2/26/2007	9:54am	\$7,000.00
20.	3/15/2007	3/15/2007	10:08am	\$9,000.00
	3/16/2007	3/16/2007	10:01am	\$5,500.00
21.	3/23/2007	3/23/2007	9:36am	\$5,000.00
	3/26/2007	3/26/2007	9:17am	\$8,000.00
22.	4/23/2007	4/23/2007	10:10am	\$6,484.00
	4/23/2007	4/24/2007	9:58am	\$9,000.00
23.	4/26/2007	4/26/2007	10:43am	\$9,000.00
	4/27/2007	4/30/2007	9:45am	\$3,000.00
	4/30/2007	4/30/2007	9:56am	\$9,000.00
24.	5/5/2007	5/7/2007	10:40am	\$9,000.00
	5/7/2007	5/7/2007	10:20am	\$8,000.00
25.	5/31/2007	5/31/2007	10:01am	\$5,000.00
	6/1/2007	6/1/2007	9:55am	\$5,000.00
	6/2/2007	6/4/2007	10:26am	\$2,000.00
26.	6/9/2007	6/11/2007	11:10am	\$5,500.00
	6/10/2007	6/11/2007	10:15am	\$7,500.00
	6/12/2007	6/12/2007	10:14am	\$4,000.00

27.	10/12/2007	10/12/2007	10:15am	\$5,000.00
	10/13/2007	10/15/2007	10:05am	\$4,500.00
	10/16/2007	10/16/2007	10:21am	\$5,000.00
28.	1/25/2008	1/25/2008	10:19am	\$3,500.00
	1/25/2008	1/28/2008	11:00am	\$1,500.00
	1/28/2008	1/28/2008	10:27am	\$5,500.00

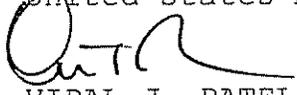
Each in violation of 31 U.S.C. §§ 5324(a)(3) and (d).

A T R U E B I L L

15/

F O R E M A N

GREGORY G. LOCKHART
 United States Attorney



VIPAL J. PATEL
 Deputy Chief, Criminal Division