

ORIGINAL

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
DEC 17 2002
CLERK, U.S. DISTRICT COURT
By _____ Deputy

DALLAS DIVISION

UNITED STATES OF AMERICA §  
 §  
 V. §  
 §  
 RICHARD DALE STERRITT, JR. (1) §  
 RICHARD DALE STERRITT, SR. (2) §  
 EDWARD WESLEY ROUSH, JR. (3) §  
 SUSAN DEAN LALE (4) §

CRIMINAL NO. \_\_\_\_\_

302CR0388 N

The Grand Jury Charges as follows:

INTRODUCTION

At all times material to this Indictment:

1. WasteMasters, Inc. (WasteMasters) was a Maryland corporation with its principal place of business in Atlanta, Georgia, but headquartered in Dallas, Texas. From on or about November 7, 1997, until on or about December 11, 1998, **RICHARD DALE STERRITT, JR.** was at all relevant times Chief Executive Officer (CEO) of WasteMasters. In addition, **RICHARD DALE STERRITT, JR.** controlled large quantities of the common stock of WasteMasters. This stock was held by his father, **RICHARD DALE STERRITT, SR.**, and through various closely-held companies and trusts. **RICHARD DALE STERRITT, JR.**, resided in Plano, Texas and **RICHARD DALE STERRITT, SR.**, resided in Garland, Texas.

2. At all times relevant to this indictment, the common stock of WasteMasters was

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traded on the Nasdaq Small Cap Market under the ticker symbol “WAST”. The Nasdaq Small Cap Market is a market for securities of smaller, less capitalized companies that do not qualify for inclusion on the Nasdaq National Market. The minimum financial requirements for listing on the Nasdaq Small Cap Market included market capitalization of at least \$50 million and an initial listing price of at least \$4 per share.

3. Continental Investment Corporation (Continental) was a Georgia corporation with its principal place of business in Atlanta, Georgia, but headquartered in Dallas, Texas. From on or about July, 1991, until on or about September, 1998, **RICHARD DALE STERRITT, JR.** was at all relevant times the Chairman of the Board of Directors and Chief Executive Officer (CEO) of Continental. In addition, **RICHARD DALE STERRITT, JR.** controlled large quantities of the common stock of Continental. This stock was held by his father, **RICHARD DALE STERRITT, SR.**, and through various closely held companies and trusts.

4. The common stock of Continental was publicly traded in the United States on the over the counter bulletin board (OTCBB). The OTCBB is a market for equity securities traded over-the-counter that are neither listed on Nasdaq nor on a primary national securities exchange. Unlike Nasdaq or registered exchanges where individual companies apply for listing on the market, and must meet and maintain strict listing standards, during the relevant time period, the OTCBB did not have similar listing standards.

5. Nikko Trading of America Corporation (Nikko) was a closely held Louisiana

corporation with its principal business being the trading and holding of securities and related financial investments (primarily the common stock of Continental and WasteMasters), Nikko was headquartered in Dallas, Texas. A distant relative of **RICHARD DALE STERRITT, JR.** was the listed owner of Nikko. Freddie Joe Royer, Jr. (Royer) was the president and CEO of Nikko from March, 1996, to January, 1999. Royer conducted all business on behalf of Nikko at the direction of **RICHARD DALE STERRITT, JR.** and **RICHARD DALE STERRITT, SR.**

6. Woodland Ventures, Inc. (Woodland) was a closely held Georgia corporation with its principal business being the trading and holding of securities and related financial investments (primarily the common stock of Continental and WasteMasters), Woodland was headquartered in The Woodlands, Texas. A relative of **RICHARD DALE STERRITT, JR.** was the listed owner of Woodland. **SUSAN DEAN LALE (LALE)**, the executive secretary to **RICHARD DALE STERRITT, JR.** was the Vice-President of Woodland. **LALE** conducted all the business of Woodland in concert with **RICHARD DALE STERRITT, JR.** and **RICHARD DALE STERRITT, SR.** **LALE**, resided in Atlanta Georgia.

7. Atremo Holding, Inc. (Atremo) was a closely held Panamanian corporation owned by **RICHARD DALE STERRITT, JR.** with its principal business being the trading and holding of securities and related financial investments (primarily the common stock of WasteMasters). Royer conducted the business of Atremo as its Authorized Agent at the

direction of **RICHARD DALE STERRITT, JR.** and **EDWARD W. ROUSH, JR.** (**ROUSH**). **ROUSH**, resided in Plano, Texas.

8. Wallenberg Financial, Inc. (Wallenberg) was a closely held Panamanian corporation owned by **RICHARD DALE STERRITT, JR.** with its principal business being the trading and holding of securities and related financial investments (primarily the common stock of WasteMasters). Royer conducted the business of Wallenberg as its Authorized Agent at the direction of **RICHARD DALE STERRITT, JR.** and **ROUSH**.

9. Waste Ventures, Inc. was a closely held Texas corporation owned by an associate of **RICHARD DALE STERRITT, JR.** and **ROUSH**, with its principal business activity being to fraudulently sell WasteMasters common stock to individual investors and to launder the proceeds of those stock sales through its bank account for the benefit of **RICHARD DALE STERRITT, JR.** and **ROUSH**. The activities of WasteVentures were conducted at the direction of **RICHARD DALE STERRITT, JR.** and **ROUSH**.

**COUNT 1**

**Conspiracy to Commit Wire Fraud, Securities Fraud and Money Laundering  
(Violations of 18 U.S.C. §§ 371, [15 USC §§78j(b) and 78ff; 18 USC §§ 1343,  
1956(a)(1)(A)(i) and 1956(a)(1)(B)(i)])**

The Grand Jury hereby realleges and incorporates herein the allegations made in the introduction of this indictment.

1. From on or about July 1997, to on or about September 1998, in Dallas County, in the Northern District of Texas, and elsewhere, the defendants,

**RICHARD DALE STERRITT, JR.,  
RICHARD DALE STERRITT, SR.,  
EDWARD WESLEY ROUSH, JR. and  
SUSAN DEAN LALE,**

did knowingly and willfully combine, conspire, confederate and agree with each other and with others known and unknown to the Grand Jury, to commit certain offenses against the United States, namely:

a. to devise a scheme and artifice to defraud and deprive others of the intangible right of honest services, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice to transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343;

b. directly and indirectly, to use and employ manipulative and deceptive devices and contrivances in violation of Rule 10b-5 of the Rules and Regulations of the

U.S. Securities and Exchange Commission, Title 17, Code of Federal Regulations, Section 240.10b-5, in that the defendants, did knowingly and willfully conspire, directly and indirectly, (1) to employ devices, schemes, and artifices to defraud; (2) to make untrue statements of material fact and to omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (3) to engage in acts, practices, and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with purchase and sale of a security, and by use of the means and instrumentalities of interstate commerce and the mails, in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a);

c. to conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, with the intent to promote the carrying on of a specified unlawful activity, and while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i); and

d. to knowingly and willfully conduct and attempt to conduct financial transactions affecting interstate and foreign commerce with the proceeds of a specified unlawful activity knowing that the transactions were designed in whole and in part to conceal and disguise, the nature, source, ownership, and control of the proceeds of said specified

unlawful activity and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

**MANNER AND MEANS OF THE CONSPIRACY**

The manner and means by which the defendants sought to accomplish the object of the conspiracy included, among others, the following:

2. The defendant, **RICHARD DALE STERRITT, JR.**, fraudulently entered into an agreement with Richard Masters (now deceased), the CEO of WasteMasters, to acquire a majority of WasteMasters common stock. This agreement was neither disclosed nor voted upon by the WasteMaster's Board of Directors.

3. The defendant, **RICHARD DALE STERRITT, JR.**, then caused Continental to acquire approximately \$3.2 million of WasteMasters convertible debentures from Infinity Investors, Ltd. The defendant, **RICHARD DALE STERRITT, JR.**, then transferred the debentures to Nikko without the knowledge or approval of Continental's Board of Directors. The defendant, **EDWARD WESLEY ROUSH, JR.**, filed a sham lawsuit against WasteMasters (of which Continental had already gained control) in the United States District Court for the Northern District of Texas. The lawsuit ostensibly was to force WasteMasters to convert the debentures into WasteMasters common stock. The defendant, **EDWARD WESLEY ROUSH, JR.**, claimed that the debenture holders were

due \$90 million dollars on the debentures. The net effect of this fraudulent lawsuit was that debenture holders demanded over 360,000,000 shares of WasteMasters stock.

4. **RICHARD DALE STERRITT, JR.**, as CEO of WasteMasters, the defendant in the lawsuit, and **EDWARD WESLEY ROUSH, JR.**, representing the plaintiff debenture holders, and **SUSAN DEAN LALE**, defendant, entered into a collusive settlement of the lawsuit that called for the debentures to be converted into 63 million shares of WasteMasters common stock.

5. The defendants, **RICHARD DALE STERRITT, JR.**, **EDWARD WESLEY ROUSH, JR.** and **SUSAN DEAN LALE**, and others known and unknown to the Grand Jury, sold millions of these shares of WasteMasters stock to investors who were told that the proceeds of the sales would be used to expand the operations of WasteMasters. The proceeds of the sales were used for the personal benefit of the defendants, **RICHARD DALE STERRITT, JR.**, **RICHARD DALE STERRIT, SR.**, **EDWARD WESLEY ROUSH, JR.** and **SUSAN DEAN LALE**, and others known and unknown to the grand jury. The defendants, **RICHARD DALE STERRIT, JR.** and **EDWARD WESLEY ROUSH, JR.**, also did not disclose their total ownership interest in the outstanding shares of WasteMasters to the investors who purchased the shares.

#### OVERT ACTS

In furtherance of the conspiracy and to achieve the object thereof, at least one of the co-conspirators committed and caused to be committed, in the Northern District of Texas



and elsewhere, at least one of the following overt acts, among others:

a. On or about July 22, 1997, in the Dallas Division of the Northern District of Texas, defendant **RICHARD DALE STERRITT, SR.** paid approximately \$250,000 in Continental stock to Richard Masters (now deceased), President and CEO of WasteMasters, to induce him to enter into an agreement giving Continental an option to purchase 51 percent of WasteMasters' issued and outstanding shares.

b. On or about July 30, 1997, in the Dallas Division of the Northern District of Texas, defendant **RICHARD DALE STERRITT, JR.** caused Continental to acquire approximately \$3.2 million of WasteMasters debentures, owned by Infinity Investors, LTD., for 60,000 shares of Continental stock. The debentures were convertible into WasteMasters common stock.

c. On or about September 27, 1997, in the Dallas Division of the Northern District of Texas, defendant **RICHARD DALE STERRITT, JR.** transferred the debentures to Nikko, a nominee corporation controlled by his father and him. **RICHARD DALE STERRITT, JR.** executed this transaction without informing or obtaining the approval of Continental's board of directors and concealed this transaction on Continental's books and records. These debentures were then further divided among Nikko, Woodland, Atremo and Wallenberg (Debenture Holders), all entities controlled by the **STERRITTS**.

d. On or about January 9, 1998, in the Dallas Division of the Northern District of Texas, defendant **EDWARD W. ROUSH, JR.** acting as attorney for the

Debenture Holders and in collusion with defendant **RICHARD DALE STERRITT, JR.**, the CEO of WasteMasters and Continental, filed a civil lawsuit against WasteMasters in federal court in the Northern District of Texas on behalf of Nikko and the other Debenture Holders. The lawsuit sought to force WasteMasters to convert the debentures into WasteMasters common stock for the benefit of the debenture holders.

e. On or about February 5, 1998, in the Dallas Division of the Northern District of Texas, defendant **RICHARD DALE STERRITT, JR., EDWARD W. ROUSH, JR., SUSAN DEAN LALE** and others known and unknown to the Grand Jury entered into a collusive Compromise Settlement Agreement and caused the Federal Court in the Northern District of Texas to issue a Consent Judgment which directed WasteMasters to issue 63 million shares of its common stock to the Debenture Holders in conversion of the debentures. By entering into this agreement, **RICHARD DALE STERRITT, JR.** violated his fiduciary duty to the public shareholders of WasteMasters stock.

f. On or about March 17, 1998, in the Dallas Division of the Northern District of Texas, defendant **EDWARD W. ROUSH, JR.**, falsely represented to the corporate secretary of WasteMasters that, subsequent to the Compromise Settlement Agreement and Consent Judgment, no one entity or individual entitled to a portion of the 63 million share lawsuit settlement had a beneficial interest in 5% or more of WasteMasters outstanding stock, therefore the filing of a Securities Exchange Commission Schedule 13d notifying the public of the entity's or individual's 5% or greater ownership

was not required.

g. On or about April 27, 1998, defendant **RICHARD DALE STERRITT, JR.**, and others known and unknown to the Grand Jury made material misrepresentations and omissions to investors concerning the use of the proceeds from the sales of the debenture shares, including the representation that the proceeds from the sale of the debenture stock would be used to acquire real estate for the benefit of WasteMasters, when in truth and in fact it was used for the personal benefit of defendants **RICHARD DALE STERRITT, JR.** and **EDWARD WESLEY ROUSH, JR.**.

All in violation of Title 18, United States Code, Section 371. (15 USC §§78j(b) and 78ff; 18 USC §§1341, 1343, 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i) and Title 18 USC §2).

**COUNTS 2-7**  
**Wire Fraud**  
**(Violations of 18 U.S.C. §§ 1343 and 2)**

The Grand Jury hereby realleges and incorporates herein the allegations made in the introduction and Count 1 of this indictment.

From on or about July 1997, to on or about September 1998, in Dallas County, in the Northern District of Texas, and elsewhere, the defendants,

**RICHARD DALE STERRITT, JR., and**  
**EDWARD WESLEY ROUSH, JR.,**

did knowingly and willfully devise and intend to devise a scheme and artifice to defraud and deprive others of the intangible right of honest services, and to obtain money and property from investors by means of materially false and fraudulent pretenses, representations and promises, knowing that the pretenses, representations and promises were false when made, as more particularly described in the allegations contained in the introduction and count 1 of this Indictment.

On or about the dates specified as to each count, the defendants, for the purpose of executing and in furtherance of the aforesaid scheme and artifice to defraud and deprive others of the intangible right of honest services, and for obtaining money and property by means of materially false and fraudulent pretenses, representations and promises did knowingly transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, as more particularly described in each count below:

<b>Count</b>	<b>Date</b>	<b>Origin</b>	<b>Destination</b>	<b>Description</b>
2	12/22/97	214-522-3310 Dallas, Texas	404-888-9447 Atlanta, Georgia	Fax copy of letter demanding 361 million shares of WasteMasters stock in conversion of the debentures
3	04/02/98	954-229-2589 Ft. Lauderdale, Florida	214-691-1173 Dallas, Texas	Fax copy of letter requesting the issuance of WasteMasters stock
4	04/02/98	954-229-2589 Ft. Lauderdale, Florida	214-691-1173 Dallas, Texas	Fax copy of letter requesting the issuance of WasteMasters stock
5	04/15/98	214-522-3310 Dallas, Texas	770-901-5406 Atlanta, Georgia	Fax copy of stock purchase agreement between The Joseph Company, Inc. and Merrill W. Shemaria
6	04/29/98	954-229-2589 Ft. Lauderdale, Florida	214-691-1173 Dallas, Texas	Fax copy of letter requesting the issuance of WasteMasters stock
7	09/29/98	214-522-3310 Dallas, Texas	404-888-9447 Atlanta, Georgia	Fax copy of letter requesting the issuance of WasteMasters Stock

All in violation of Title 18, United States Code, Sections 1343 and 2.

**COUNT 8**  
**Securities Fraud**  
**(Violations of 18 U.S.C. §§ 78j(b) and 78ff(a))**

The Grand Jury hereby realleges and incorporates herein the allegations made in the Introduction and Count 1 of this indictment.

From on or about January 9, 1998, until on or about September 30, 1998, in Dallas County, in the Northern District of Texas, and elsewhere, the defendants,

**RICHARD DALE STERRITT, JR.,**  
**EDWARD WESLEY ROUSH, JR. and**  
**SUSAN DEAN LALE**

unlawfully, knowingly, and willfully, by the use of means and instrumentalities of interstate commerce, the mails, and the facilities of national securities exchanges, did, directly and indirectly, use and employ manipulative and deceptive devices and contrivances in connection with the purchase and sale of a security, that is, approximately 63 million shares of stock in WasteMasters, Inc., obtained from WasteMasters, and did (a) employ a device, scheme and artifice to defraud; (b) make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engage in acts, practices and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with the purchase and sale of said securities.

In violation of Title 15, United States Code, Sections 78j(b) and 78ff(a); Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.

**COUNTS 9 – 32**  
**Securities Fraud**  
**(15 U.S.C. §§ 78j(b) and 77ff(a))**

The Grand Jury hereby realleges and incorporates herein the allegations made in the Introduction and Count 1 of this indictment.

From on or about July 1997, to on or about August 1998, in Dallas County, in the Northern District of Texas, and elsewhere, the defendants,

**RICHARD DALE STERRITT, JR. and**  
**EDWARD WESLEY ROUSH, JR.,**

unlawfully, knowingly, and willfully, by the use of means and instrumentalities of interstate commerce, the mails, and the facilities of national securities exchanges, did, directly and indirectly, use and employ manipulative and deceptive devices and contrivances in connection with the purchase and sale of a security, that is, about 1,201,802 shares of stock in WasteMasters, Inc., on or about the dates as more particularly described below, and did (a) employ a device, scheme and artifice to defraud; (b) make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engage in acts, practices and courses of business which would and did operate as a fraud and deceit upon members of the investing public, in connection with the purchase and sale of said securities.



COUNT	DATE	AMOUNT	SHARES	PURCHASER
9	04/09/98	\$ 20,000.00	2,500 2,500 5,000 10,000	Kushum Chugani Umesh Sharma Hemant Wadhvani Kishin Wadhvani
10	04/18/98	\$ 10,000.00	5,000 5,000	Hadiya Hussaini Guizar Hussaini
11	04/21/98	\$ 10,000.00	13,334	Arthur Tobin
12	04/27/98	\$ 272,500.00	44,117 58,823 100,000 117,647	Shelia Chainani Dallas Associates Dallas Associates Lee Worley
13	04/29/98	\$ 56,250.00	25,000 5,000 20,000 15,000 10,000	Chester Wittkin Marjorie Gelber Samuel G. Weiss Paul Guiliner Jonathan Guiliner
14	04/29/98	\$ 15,000.00	5,000 5,000 5,000 5,000	Joseph Laratro Frank Flori, Jr. Frank Flori, Sr. Marnie Laratro
15	05/13/98	\$ 37,500.00	44,117	The Johnson Trust
16	05/13/98	\$ 31,000.00	31,000	Ratan Wadhvani
17	05/14/98	\$ 125,000.00	117,059	Stig Wennerstrom
18	05/18/98	\$ 25,000.00	29,411	Garver Wilson
19	05/28/98	\$ 100,000.00	117,647	Jorge Caycedo, M.D.
20	05/30/98	\$ 100,000.00	117,647	Stig & Britt-Marie Wennerstrom
21	06/02/98	\$ 20,000.00	20,000	Ronit Zoldan
22	06/05/98	\$ 10,000.00	8,000	Clifford Brooks
23	06/15/98	\$ 100,000.00	80,000	Mary Joan Caycedo
24	06/18/98	\$ 5,000.00	6,250	Richard Wolf
25	06/18/98	\$ 10,000.00	10,000	Thai Nguyen
26	06/18/98	\$ 5,000.00	5,000	Camtu Vo
27	07/01/98	\$ 3,600.00	3,000	Monika Nikkaren
28	07/02/98	\$ 14,980.00	12,500	Razi Amrani
29	07/09/98	\$ 50,000.00	50,000	Mario J. Reali, Sr.
30	07/09/98	\$ 25,000.00	25,000	Mario J. Reali, Jr.

31	07/09/98	\$ 25,000.00	25,000	Michael S. Reali
32	07/10/98	\$ 9,000.00	11,250	Wayne Gould
	<b>TOTALS</b>	<b>\$1,079,830.00</b>	<b>1,201,802</b>	

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a); Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2.

**COUNTS 33 – 39**  
**Money Laundering**  
**(Violations of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 2)**

On or about the dates listed below, in Dallas County, in the Northern District of Texas and elsewhere, defendants **RICHARD DALE STERRITT, JR.** and **EDWARD W. ROUSH, JR.**, did conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, to wit: **RICHARD DALE STERRITT, JR.** and **EDWARD W. ROUSH, JR.** caused WasteVentures, Inc. to conduct seven financial transactions, as listed below, by check and wire transfer, with the intent to promote the carrying on of a specified unlawful activity, to wit: wire fraud and securities fraud as more particularly described in counts 1 through 7 and 9 through 32 of this indictment and while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions, that is, funds in the amounts set forth below, represented the proceeds of some form of unlawful activity.

<b>COUNT</b>	<b>DATE</b>	<b>AMOUNT</b>	<b>TRANSACTIONS</b>
33	05/06/98	\$ 65,250.00	Check
34	05/20/98	\$ 50,000.00	Check
35	06/02/98	\$ 25,000.00	Check
36	06/03/98	\$ 5,500.00	Check
37	06/12/98	\$ 100,000.00	Check
38	06/16/98	\$ 7,565.00	Check
39	07/10/98	\$100,015.00	Wire Transfer

All in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i) and 2.

**COUNTS 40 – 47**  
**Money Laundering**  
**(18 U.S.C. §§ 1956(a)(1)(B)(i) and 2)**

On or about the dates listed below, in Dallas County, in the Northern District of Texas and elsewhere defendants **RICHARD DALE STERRITT, JR.** and **EDWARD W. ROUSH, JR.** did knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, to wit: **RICHARD DALE STERRITT, JR.** and **EDWARD W. ROUSH, JR.** caused WasteVentures, Inc. to conduct eight financial transactions, as listed below, payments by check, which involved the proceeds of a specified unlawful activity, that is wire fraud and securities fraud as more particularly described in counts 1 through 32 of this indictment, knowing that the transactions were designed in whole and in part to conceal and disguise, the nature, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transactions knew that the property involved in the financial transactions, that is funds in the amounts set forth below, represented the proceeds of some form of unlawful activity.

<b>COUNT</b>	<b>DATE</b>	<b>AMOUNT</b>
40	05/06/98	\$ 15,500.00
41	05/06/98	\$ 42,500.00
42	05/06/98	\$ 125,000.00
43	05/12/98	\$ 15,000.00
44	05/12/98	\$ 50,000.00
45	06/02/98	\$ 42,500.00
46	06/02/98	\$ 43,826.75
47	07/02/98	\$ 8,000.00

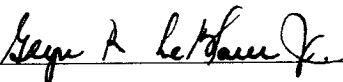
All in violation of 18, United States Code, Section 1956(a)(1)(B)(i) and 2.

**COUNT 48**  
**Tax Evasion**  
**(Violations 26 U.S.C. §§ 7201)**

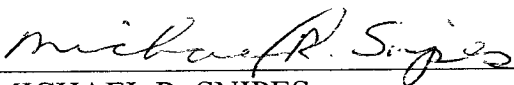
On or about April 10, 2002, in Dallas County, in the Northern District of Texas, **EDWARD W. ROUSH, JR.**, a resident of Plano, Texas, who during the calendar year 1998 was married, did willfully attempt to evade and defeat a large part of the income tax due and owing by him and his spouse to the United States of America for the calendar year 1998, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent joint U.S. Individual Income Tax Return, Form 1040, on behalf of himself and his spouse, which was filed with the Internal Revenue Service, wherein it was stated that their joint taxable income for said calendar year was the sum of \$11,150.00 and that there was no tax due and owing thereon, whereas, as he then and there well knew and believed, their joint taxable income for the said calendar year was substantially in excess of that heretofore stated and that upon said additional joint taxable income a substantial additional tax was due and owing to the United States of America.

In violation of Title 26 United States Code, Section 7201.

A True Bill

  
\_\_\_\_\_  
Foreperson

JANE BOYLE  
United States Attorney

  
\_\_\_\_\_  
MICHAEL R. SNIPES  
Assistant United States Attorney  
Texas State Bar No. 18797900  
1100 Commerce Street, Third Floor  
Dallas, TX 75242-1699  
214.659.8672

**IN THE UNITED STATES DISTRICT COURT**

**FOR THE NORTHERN DISTRICT OF TEXAS**

**DALLAS DIVISION**

**THE UNITED STATES OF AMERICA**

**VS.**

**RICHARD DALE STERRITT, JR. (1)  
RICHARD DALE STERRITT, SR. (2)  
EDWARD WESLEY ROUSH, JR. (3)  
SUSAN DEAN LALE (4)**

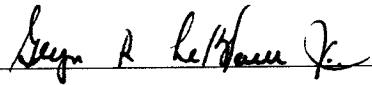
**INDICTMENT**

18 USC 371, [15 USC 78j(b) and 78ff; 18 USC 1343, 1956(a)(1)(A)(i) and 1956(a)(1)(B)(i)] 18 USC 1343 and 2, 18 USC 78j(b) and 78ff(a), 18 USC 1956(a)(1)(A)(i) and 2, 18 USC 1956(a)(1)(B)(i) and 2, 26 USC 7201

Conspiracy to Commit Wire Fraud, Securities Fraud and Money Laundering, Wire Fraud, Securities Fraud, Money Laundering, Tax Evasion

(48 Counts)

A true bill,



DALLAS

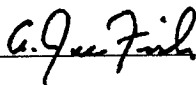
FOREMAN

Filed in open court this \_\_\_\_ day of \_\_\_\_\_, A.D. 2002.

Clerk

PR BOND (STERRITT'S JR. & SR.)  
WARRANT (ROUSH, JR. & LALE)

UNITED STATES DISTRICT JUDGE



3:2002-CR-