

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

BONTIEA BERNEDETTE GOSS

[DOB: 10/09/1955],

and

TOMMY RAY GOSS

a/k/a Tom Goss

[DOB: 11/04/1955],

Defendants.

No. 19-03048-01/02-CR-S-BCW

COUNT 1:

18 U.S.C. § 371

(Conspiracy)

NMT 5 Years Imprisonment

NMT 3 Years Supervised Release

NMT \$250,000 Fine

Class D Felony

COUNTS 2-7:

18 U.S.C. §§ 666 and 2

(Federal Funds Theft and Bribery)

NMT 10 Years Imprisonment

NMT 3 Years Supervised Release

NMT \$250,000 Fine

Class C Felony

COUNTS 8-30:

18 U.S.C. §§ 1343, 1346, and 2

(Wire and Honest Services Fraud)

NMT 20 Years Imprisonment

NMT 3 Years Supervised Release

NMT \$250,000 Fine

Class C Felony

COUNTS 31-34:

26 U.S.C. § 7206(2)

(Aiding and Assisting False Returns)

NMT 3 Years Imprisonment

NMT 1 Year Supervised Release

NMT \$250,000 Fine

Class E Felony

COUNT 35:

31 U.S.C. § 5324(a)(3)

(Structuring)

NMT 5 Years Imprisonment

NMT 3 Years Supervised Release

NMT \$250,000 Fine

Class D Felony

<u>Defendant</u>	<u>Counts</u>
B. Goss (01)	1-4, 6-10, 12-17, 19-22, 26, 30, 31, 33, 34, FA
T. Goss (02)	1-11, 17-19, 23-35, FA

FORFEITURE ALLEGATION:

18 U.S.C. § 981(a)(1)(C) and
28 U.S.C. § 2461

Each Count: \$100 Special Assessment

SECOND SUPERSEDING INDICTMENT

THE GRAND JURY CHARGES THAT:

At all times material to this Indictment, unless otherwise set forth, with all dates and times alleged to be “on or about” or “in or about,” and all amounts alleged to be “approximately:”

GENERAL ALLEGATIONS

The Charity

1. Preferred Family Healthcare, Inc. (“PFH”) was a Missouri nonprofit corporation headquartered at 1111 South Glenstone Avenue, in Springfield, Greene County, Missouri, within the Western District of Missouri. PFH and its subsidiaries provided a variety of services to individuals in Missouri and Arkansas, including mental and behavioral health treatment and counseling, substance abuse treatment and counseling, employment assistance, aid to individuals with developmental disabilities, and medical services. Originally, and for most of its existence, PFH was known as Alternative Opportunities, Inc. (“AO”), a Missouri nonprofit corporation formed on December 3, 1991. Effective May 1, 2015, AO merged with Preferred Family Healthcare, Inc., of Kirksville, Missouri, with the merged entity retaining the PFH name and corporate charter. (Hereinafter, “the Charity” shall refer to the entity known as Preferred Family Healthcare, Inc., after April 30, 2015, and Alternative Opportunities, Inc., prior to May 1, 2015.)

2. The Charity was recognized by the Internal Revenue Service (“IRS”) as non-profit public charity under Section 501(c)(3) of the Internal Revenue Code (United States Code, Title 26). AO applied for and was granted exemption from federal income tax under Internal Revenue

Code Section 501(a)(2) as an organization described in Internal Revenue Code Section 501(c)(3) by Internal Revenue Service Letter 1045, dated August 25, 1993. AO's Articles of Incorporation, attached to its application for tax-exempt status, stated that the corporation's purpose was "[t]o provide supportive and alternative opportunities for individuals with mental retardation/developmental disabilities and other special needs. The organization is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code."

3. Most of the Charity's funding was from appropriated federal funds—the largest portion of that being Medicaid reimbursement. Additionally, for the Charity's tax years 2005 through 2017, each tax year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity received annually benefits in excess of \$10,000 from the Federal government under programs involving grants, contracts, loans, guarantees, insurance, and other forms of federal assistance, more particularly, benefits provided during various of those years by the following Federal agencies and departments: the Departments of Health and Human Services ("HHS"), Labor ("DOL"), Veterans Affairs ("VA"), Housing and Urban Development ("HUD"), Justice ("DOJ"), Agriculture ("USDA"), and Education ("DoED").

Persons

4. Defendant **BONTIEA BERNEDETTE GOSS** ("B. GOSS"), a resident of Springfield, Missouri, and Boulder, Colorado, began working for the Charity in 1994. B. GOSS was the Charity's Chief Operating Officer, and served as the chief administrator over personnel in all programs and services. B. GOSS had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity, and was commonly recognized as the "boss" of the

Charity. As an executive of the Charity, B. GOSS had a fiduciary duty to act in the best interests of the Charity.

5. Defendant **TOMMY RAY GOSS**, also known as Tom Goss (“T. GOSS”), a resident of Springfield, Missouri, and Boulder, Colorado, was one of the original founders of the Charity. T. GOSS was the Charity’s Chief Financial Officer, and had authority to approve and direct payments of funds and enter into agreements on behalf of the Charity. As an executive of the Charity, T. GOSS had a fiduciary duty to act in the best interests of the Charity.

6. Jeremy Young Hutchinson (“Hutchinson”), charged elsewhere, served as a Senator in the Arkansas Senate from 2011 to 2018. Hutchinson was also an attorney during all times material to this Indictment.

7. Milton Russell Cranford, also known as “Rusty” Cranford (“Cranford”), charged elsewhere, was a resident of Rogers, Arkansas and lobbyist registered with the Arkansas Secretary of State. Cranford served as a high ranking executive with the Charity helping to oversee the Charity’s operations in the state of Arkansas. Also, Cranford operated three lobbying firms: the Cranford Coalition, the Capitol Hill Coalition, and Outcomes of Arkansas (collectively, “Cranford Lobbying Firms”). Cranford Lobbying Firms represented, and were paid by, a number of clients (“Cranford Clients”), including but not limited to the Charity, to advance their interests in the legislature.

8. Marilyn Luann Nolan (“Nolan”), charged elsewhere, a resident of Springfield, Missouri, began working at the charity in 1992. Nolan was the Charity’s Chief Executive Officer, and oversaw the Charity’s lobbying and governmental affairs activities.

9. Keith Fraser Noble (“Noble”), charged elsewhere, was a licensed psychologist and certified substance abuse counselor. Noble held the title of Director of Clinical Services for the

Charity from 1994 until approximately 2014 or 2015, when his title was changed to Chief Clinical Officer. Noble was responsible for overseeing clinical operations and the provision of services.

10. The term “Resource Team,” often abbreviated “RT,” was used within the Charity to refer to the Charity’s highest level of executive leadership. The composition of the RT changed slightly over time, but throughout the period relevant to this Indictment, the RT included B. GOSS, T. GOSS, Nolan, and Noble. “Person #15,” one of the original founders of the Charity, was a member of the RT until 2006. “Person #16” was a member of the RT from 2006 through 2015.

11. Eddie Wayne Cooper (“Cooper”), charged elsewhere, was an Arkansas State Representative from 2006 through 2011, and a lobbyist registered with the Arkansas Secretary of State from 2011, onward. Cooper was a full-time employee of the Charity from 2009 through 2017. From 2009 through 2015, Cooper also was a member of the Charity’s board of directors.

12. David Carl Hayes (“Hayes”), charged elsewhere, was a resident of Springfield, Missouri, and held a license from the state of Missouri as a Certified Public Accountant (“CPA”) from 1988 until 2006, when he allowed his CPA license to expire. From 2006 to 2013, Hayes was the coordinator of merger and acquisition activity for the Charity. From 2006 to 2011, Hayes served as a member of the Charity’s board of directors. From 2011 to 2013, Hayes was the Charity’s internal auditor.

13. Donald Andrew “D.A.” Jones (“Jones”), charged elsewhere, was a resident of Willingboro, New Jersey, and a Philadelphia, Pennsylvania-based political operative. Jones owned and operated the firm, D.A. Jones & Associates, which purported to provide political and advocacy services, including consulting, analysis, and public relations.

14. Micah Neal (“Neal”), charged elsewhere, served as a Representative in the Arkansas House of Representatives from 2013 until 2017.

15. Robin Raveendran (“Raveendran”), charged elsewhere, was a former Arkansas state employee who worked for the Charity from 2014 until 2017. During his employment with the Charity, Raveendran held the titles of Director of Operations, Executive Vice President, and Analyst.

16. Henry “Hank” Wilkins IV (“Wilkins”), charged elsewhere, served as a Representative in the Arkansas House of Representatives from 1999 to 2001, and again from 2011 to 2015. Wilkins also served as a Senator in the Arkansas Senate from 2001 to 2011. Wilkins also served as a pastor at St. James United Methodist Church (“SJUMC”), located in Pine Bluff, Arkansas.

17. Jonathan Earl Woods (“Woods”), charged elsewhere, served as a Senator in the Arkansas Senate from 2013 to 2017.

18. “Person #8,” a Representative in the Arkansas House of Representatives from 2009 through 2013, was a Charity employee from 2011 until 2018, most recently holding the title of Regional Director.

19. “Person #21” was a relative of B. GOSS. He/she was President of Entity E, served on Entity E’s board of directors, and owned approximately 45 percent of Entity E.

20. Arkansas Economic Development Commission (“AEDC”) Official A was a high ranking AEDC Official from in or about 2012 to in or about 2015. As a high ranking official in AEDC, AEDC Official A provided advice to the Governor of Arkansas on economic development and specifically, advised on the use of executive discretionary funds for the purpose of providing economic incentives to private companies to relocate or start businesses in Arkansas.

Entities

21. “Accounting Firm A” was an accounting firm located in Omaha, Nebraska, which the Charity paid to prepare and file with the IRS its Forms 990.

22. Alliance for Health Improvement, also known as Alliance for Health Care, also known as Alliance for Health Care Improvement (“Alliance”) was a private association formed in early 2014 by Raveendran, Cranford, and Hutchinson, to advocate for issues relating to health care providers at the Arkansas state legislature and in state departments. In 2014, 2015, and 2016, the Charity made \$25,000 annual dues payments to Alliance. Other providers paid annual membership dues of \$5,000 or \$10,000. Hutchinson, Cranford, and Raveendran received income directly from the membership dues paid by these providers.

23. Ameriworks, also known as AmeriWorks and Ameriwork, was a non-profit corporation registered with the Arkansas Secretary of State on September 27, 2013, with an address in Bentonville, Arkansas, which purportedly sought to create manufacturing jobs in Northwest Arkansas, specifically for a specialized workforce including disabled veterans, disadvantaged youth, and individuals recovering from substance abuse.

24. BMHI, a Missouri for-profit corporation, was formed in 1989 by T. GOSS, Person #15, and one other, to provide services to persons with disabilities. After the formation of Alternative Opportunities in 1991, BHMI served as a management company for the Charity, until 2005.

25. Dayspring Behavioral Health Services (“Dayspring”) was an Arkansas limited liability company (“LLC”) providing behavioral health services, which was acquired by the Charity in 2007 and thereafter continued as a business alias of the Charity. Doing business as

Dayspring, the Charity operated dozens of clinics throughout the state of Arkansas, offering a variety of behavioral health services to individuals, families, and groups.

26. Decision Point was a Bentonville, Arkansas-based nonprofit corporation providing alcohol and substance abuse counseling, which merged with the Charity in 2011. Following the Charity's acquisition of the company, Decision Point continued as a business alias of the Charity, providing residential and outpatient services, including alcohol, substance abuse and mental health counseling, detoxification, education programs, connection to support groups, specialized residential services for women and their children, job placement and retention, and veterans' transition services.

27. "Entity E" was a Missouri S-corporation that was in the business of designing and selling indoor thermostats. On Entity E's 2011, 2012, 2013, 2014, 2015, and 2016 Annual Registration Reports, filed with the Missouri Secretary of State, Entity E listed Person #21, B. GOSS, and T. GOSS as the only officers of the company, and the only members of the Board of Directors. In 2011 and 2012, B. GOSS and T. GOSS's combined ownership share of Entity E was approximately 27% and 37%, respectively. In years 2013 through 2018, their combined ownership share of Entity E was approximately 45%. In 2011 and 2012, Person #21 maintained a combined ownership share of Entity E of 32% and 42%, respectively. In years 2013 through 2018, Person #21's ownership share was approximately 45%.

28. Northwest Arkansas Property Management Group ("NWAPMG") was an Arkansas LLC formed in 2009, and owned by B. GOSS, T. GOSS, Cranford, Hayes, and "Employee E" (who was then the Charity's in-house legal counsel). The Charity paid rent to NWAPMG for the use of various properties, including offices and clinics.

29. Outcomes Management was an Arkansas LLC jointly owned by T. GOSS and Cranford.

30. W.D. Management (“WDM”) was a Missouri LLC formed in 1995 under the name White Dog Investments (“WDI”) by B. GOSS, T. GOSS, Nolan, Noble, Person #15, and three of their associates, and was used as a management company for AO. In 2003, the entity was re-named W.D. Management. In 2006, WDM was sold to “Company A,” a publicly-traded corporation, by its five remaining owners: B. GOSS, T. GOSS, Nolan, Noble, and Person #15; however, T. GOSS continued to exercise actual control over the bank accounts and activities of WDM.

31. White Dog Asset Holding (“WDAH”) was a Missouri LLC formed in 2005, and owned by B. GOSS, T. GOSS, Nolan, Noble, and one other person. Immediately prior to the 2006 sale of WDM to Company A, WDAH acquired title to all real estate formerly held by WDM.

32. White Dog Properties (“WDP”) was a Missouri LLC formed in 2007, and owned by B. GOSS, T. GOSS, Nolan, Noble, and WDAH. WDP held the title to the building located at 1111 Glenstone Avenue, in Springfield, Missouri, which was the Charity’s headquarters, and duplex homes located on Olive Street, in Springfield, Missouri.

Relevant Arkansas Legislative and Governmental Institutions

33. The Arkansas House consisted of 100 members (“Representatives” or “legislators”), each elected from a specific electoral district from across the state. The Arkansas Senate consisted of 35 members (“Senators” or “legislators”) each representing a specific electoral district.

34. An Arkansas Representative’s or Senator’s duties included, but were not limited to:
(a) investigating, studying, reporting, making recommendations, and amending or substituting

measures or matters related to the jurisdiction of the House or Senate, or the Representative's or Senator's Committee; (b) scheduling and holding public hearings and meetings, summoning witnesses, and hearing testimony related to measures or matters within the jurisdiction of the House or Senate, or the Representative's or Senator's Committee; (c) drafting, filing, and voting on bills of law, resolutions, and substitute measures; and (d) appraising, approving, and overseeing budgets and the appropriation of state monies, including funds from the state of Arkansas' General Improvement Fund ("GIF").

35. Article 19, Section 20 of the Arkansas Constitution required that all Arkansas "Senators and Representatives, and all judicial and executive, State and county officers, and all other officers, both civil and military, before entering on the duties of their respective offices, shall take and subscribe to the following oath of office: 'I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will faithfully discharge the duties of the office of _____, upon which I am now about to enter.'" Arkansas House Representatives and Senators owe a fiduciary duty to provide honest services to the state of Arkansas and its citizens.

36. The General Improvement Fund ("GIF") was a fund established by the Arkansas General Assembly consisting of what was commonly referred to as "surplus" state revenues, which consisted of special revenues from various sources as specified by the General Assembly. By virtue of their position, Arkansas legislators exerted substantial control over the distribution of portions of the GIF monies which were appropriated during the 89th General Assembly.

37. Arkansas law recognized the boundaries of eight economic development districts throughout the State of Arkansas and authorized the Arkansas Department of Finance and Administration (DFA) to make payments to these eight economic development districts.

38. The Northwest Arkansas Economic Development District (“NWAEDD”), which consisted of Benton, Washington, Madison, Carroll, Boone, Newton, Marion, Searcy, and Baxter counties, was one of the economic development districts authorized to receive state funds. The NWAEDD was a non-profit corporation with offices in Harrison, Arkansas.

39. In 2013, the Arkansas General Assembly appropriated GIF monies to the DFA for disbursement to the NWAEDD, and the DFA disbursed GIF monies to the NWAEDD, to be utilized to assist local governments and nonprofit organizations to plan, develop, promote and/or implement economic and community development projects and activities designed to improve the economic community and/or social well-being of the citizens of Arkansas.

40. According to Arkansas law, the operations of the economic development districts and their disbursement of funds were solely within the discretion and control of the local governing board of directors, which was comprised of local government officials and private sector representatives. However, at all times relevant to this Indictment, legislators, in effect and in practice, exerted substantial control and authority over a set amount of GIF monies that they had appropriated for disbursement to the economic development districts. Specifically, Woods and Neal, as state legislators, exerted substantial control and authority over a specific amount of NWAEDD GIF monies, and were allowed to direct and approve which eligible organizations would receive these GIF monies and in what amounts.

41. The Arkansas Economic Development Commission (“AEDC”) is an Arkansas state commission that seeks to generate economic opportunity by attracting companies to Arkansas and creating higher paying jobs for citizens of the State.

42. The Arkansas Department of Human Services (“ADHS”) was an agency of the state of Arkansas that provided various services to individuals in the state of Arkansas to include

behavioral health services, which were provided through the Division of Behavioral Health Services (“DBHS”). Among the services it provided, DBHS administered a system of public mental health care and drug prevention and treatment throughout Arkansas. These services were provided through community mental health centers and specialty clinics which were established to provide points of entry into the public mental health system across the state of Arkansas.

43. During each calendar year material to this Indictment, the state of Arkansas received benefits in excess of \$10,000 under Federal programs involving grants, contracts, subsidies, loans, guarantees, insurance, and other forms of Federal assistance.

The ADHS Initiatives

44. Between 2012 and 2015, ADHS attempted to implement different healthcare initiatives in an attempt to increase accountability on healthcare providers and to lower healthcare costs, while maintaining quality healthcare for Arkansas citizens. Some of ADHS’s initiatives included, but were not limited to, the following:

a. The Color Scorecard or “Scorecard” ADHS initiative was designed to grade healthcare providers on the effectiveness of services that were being provided.

b. The Youth Outcomes Questionnaire (“YOQ”) was a questionnaire that was designed to be given to child patients and their families in an effort to measure the effectiveness of healthcare services being provided. Under ADHS’s initiative, the results received from the YOQs by healthcare providers, like the Charity, would be a factor in decisions by ADHS on whether to renew Arkansas State contracts with healthcare providers. “Company G” was a rating company contracted by the state of Arkansas that was hired to administer the YOQ and “Scorecard” initiatives.

c. Episodes of Care was a healthcare system designed to define specific treatment plans for particular clinical conditions or procedures based on best practices within the healthcare industry while still allowing physicians to treat the specific needs of patients. By encouraging providers to use the Episodes of Care system, ADHS sought to minimize excessive healthcare costs while still maintaining quality healthcare.

d. Health Homes was a healthcare system designed to consolidate and coordinate mental and behavioral healthcare treatment, for applicable patients, into a single provider.

45. Because B. GOSS, T. GOSS, Cranford, and others believed the Scorecard, YOQ, Episodes of Care, and Health Homes initiatives (collectively, the “ADHS Initiatives”) would have placed measures and limitations on the Charity’s ability to bill for healthcare services and seek reimbursement for such services, it was the understanding of B. GOSS, T. GOSS, Cranford, and others that the ADHS Initiatives would negatively impact the Charity by increasing costs to the Charity to comply with the initiatives and by limiting the amount of revenue the Charity would be able to make.

Public Charities’ Disclosure of Executive Compensation

46. Organizations that were exempt under Section 501(c)(3) were required to disclose their assets, expenses, income, and list of donors on IRS Forms 990, which were available to the public and signed under penalty of perjury.

47. Disclosure to the IRS, and the public, of the compensation of officers, directors, trustees, key employees and highest compensated employees was an important reporting obligation of tax-exempt organizations. In that regard, Section 501(c)(3) organizations were required to report salaries, benefits, and other information, on IRS Forms 990, specifically in three

parts: Part VII “Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors,” Part IX “Statement of Functional Expenses,” lines 5, 7, 8 and 9, and Schedule J (“Compensation Information”). Accurate disclosure of compensation to the IRS and the public was required on the Form 990 to allow the public and IRS to assess the reasonableness of compensation. Section 501(c)(3) prohibited inurement of the net income of an organization to any private shareholder or individual having a personal and private interest in the activities of the organization.

48. On its IRS Forms 990 for the tax years 2005 through 2016, the Charity reported the following compensation for B. GOSS, T. GOSS, Nolan, and Noble:

Form 990	B. GOSS	T. GOSS	Nolan	Noble
2005	\$ 36,005	\$ 36,750	\$ 39,000	\$ 48,300
2006	\$ 150,000	\$ 163,966	\$ 156,249	Not listed
2007	\$ 162,038	\$ 162,038	\$ 158,878	Not listed
2008	\$ 153,500	\$ 153,500	\$ 153,500	\$ 153,500
2009	\$ 170,000	\$ 206,661	\$ 159,074	\$ 159,242
2010	\$ 155,374	\$ 231,387	\$ 166,691	\$ 162,717
2011	\$ 176,731	\$ 190,351	\$ 171,215	\$ 167,190
2012	\$ 230,958	\$ 191,518	\$ 191,369	\$ 166,923
2013	\$ 336,779	\$ 331,809	\$ 336,691	\$ 269,044
2014	\$ 435,634	\$ 435,570	\$ 435,592	\$ 384,532
2015	\$ 502,143	\$ 489,299	\$ 506,721	\$ 401,558
2016	\$ 807,465	\$ 794,709	\$ 825,257	\$ 448,381

49. To ensure Section 501(c)(3) organizations fully and accurately reported all compensation of officers, directors, trustees, key employees and highest compensated employees, such organizations were required to report excess benefit transactions on Forms 990, Schedule L. The following definitions, set forth in the Internal Revenue Code, applied to this requirement:

a. The term “excess benefit transaction” meant any transaction in which an economic benefit was provided by the tax-exempt organization directly or indirectly to or for the use of any disqualified person if the value of the economic benefit provided exceeded the value of

the consideration (including the performance of services) received for providing such benefit. For purposes of the preceding sentence, an economic benefit was not to be treated as consideration for the performance of services unless such organization clearly indicated its intent to so treat such benefit.

b. Any person who was in a position to exercise substantial influence over the affairs of the applicable tax-exempt organization at any time during the five-year period (“lookback period”) prior to the date of such transaction was a “disqualified person.”

c. The term “disqualified person” also included family members such as spouses, children, and siblings by whole or half-blood of disqualified persons.

d. The term “disqualified person” also included any “35-percent controlled entity,” which included any corporation in which disqualified persons own more than 35 percent of the total combined voting power.

50. From tax year 2008 (ending June 30, 2009) onward, Section 501(c)(3) organizations were required to disclose the existence of excess benefit transactions in Part IV, Checklist of Required Schedules, of IRS Form 990, by responding “yes” or “no” to questions 25(a) and 25(b) – disclosing whether the entity had such transactions in the current period, or had discovered past such transactions. If the organization answered either question in the affirmative, it was required to describe the excess benefit transaction(s) in Schedule L Part I of the Form 990.

51. At no point relevant to this Indictment did the Charity report or disclose the existence of any excess benefit transactions on its IRS Forms 990.

Restrictions on Political Activity by Public Charities

52. Entities exempt under Section 501(c)(3) were absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of, or in opposition

to, any candidate for elective public office. Contributions to political campaign funds violated this prohibition, and could have resulted in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

53. Further, the Charity was subject to the “No Substantial Part” rule, which provided that no substantial part of the organization’s activities could constitute carrying on propaganda, or otherwise attempting to influence legislation. So the IRS and the public could monitor compliance with the “No Substantial Part” Rule, the Charity was required to disclose any and all lobbying activity in Part IX (Statement of Functional Expenses) of their annually-filed IRS Forms 990.

Restrictions on Political Activity by Recipients of Federal Grants

54. Recipients of Federal contracts, grants, loans, and cooperative agreements, were prohibited by law from expending appropriated funds to pay any person for lobbying, i.e. influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

55. As a prerequisite for making or entering into any Federal contract, grant, loan, or cooperative agreement, Title 31, United States Code, Section 1352, required the applicant/recipient to agree to follow the lobbying restrictions in accordance with Title 29, Code of Federal Regulations, Part 93—Appendix A, and to certify that: (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or

employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; and (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or a cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The above certifications were material representations upon which Federal agencies, and state agencies disbursing Federal funds, relied in determining whether the recipients were eligible to receive Federal funds, and that they spent those funds in accordance with the law.

56. From 2013 through 2017, on multiple occasions, the Charity certified that it agreed to and had complied with the lobbying restrictions set forth in the paragraph above, by so attesting on applications for grants and other forms of funding submitted to various Federal and state agencies.

Relevant Financial Institutions

57. Arkansas Employees Federal Credit Union ("AEFCU") was a credit union headquartered in Little Rock, Arkansas, with branch offices located throughout the state of Arkansas.

58. Arvest Bank was a bank headquartered in Fayetteville, Arkansas, with branch offices located in the states of Arkansas, Oklahoma, Missouri, and Kansas.

59. Bank of America (“BOA”) was a bank headquartered in Charlotte, North Carolina, with branch offices located throughout the United States.

60. BancorpSouth was a bank headquartered in Tupelo, Mississippi, with branch offices located in the states of Alabama, Arkansas, Florida, Louisiana, Mississippi, Missouri, Tennessee, Texas, and Illinois.

61. Metropolitan National Bank (“MNB”) was a bank headquartered in Springfield, Missouri, with branch offices located throughout Southwest Missouri.

62. OakStar Bank was a bank headquartered in Springfield, Missouri, with branch offices located throughout the state of Missouri.

63. Relyance Bank was a bank headquartered in Pine Bluff, Arkansas, with branch offices located throughout the state of Arkansas.

64. U.S. Bank was a bank headquartered in Cincinnati, Ohio, with branch offices located throughout the United States.

COUNT 1
18 U.S.C. § 371
(Conspiracy)

65. The factual allegations of Paragraphs 1 through 64 are re-alleged and incorporated as though fully set forth.

Objects of the Conspiracy

66. From in or about 2005 until in or about November 2017, in Greene County, Missouri, in the Western District of Missouri, and elsewhere, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, together, and with others known and unknown to the Grand Jury, knowingly and unlawfully conspired, confederated, and agreed together, and with each other, to the following:

a. for B. GOSS, T. GOSS, Nolan, Hayes, Cranford, and Cooper, being agents of the Charity, by a variety of means, and together with, and aided and abetted by, Hutchinson, Woods, and Wilkins, to embezzle, steal, obtain by fraud, and otherwise without authority knowingly convert to the use of any person other than the rightful owner, and intentionally misapply property worth \$5,000 or more, and that was owned by, and was under the care, custody, and control of the Charity, in violation of Title 18, United States Code, Section 666(a)(1)(A);

b. for B. GOSS, T. GOSS, Hayes, Cranford, and Cooper, to devise and intend to devise a scheme and artifice to defraud the Charity, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, in violation of Title 18, United States Code, Section 1343;

c. for B. GOSS, T. GOSS, and Cranford, to corruptly give, offer, and agree to give, anything of value to any person, intending to influence and reward agents of the state of Arkansas—including Hutchinson, Woods, Neal, and Wilkins—in connection with a business, transaction, and series of transactions of the state of Arkansas involving \$5,000 or more, in violation of Title 18, United States Code, Section 666(a)(2);

d. for Hutchinson, Woods, Neal, Wilkins, and others known and unknown to the Grand Jury, as agents of the state of Arkansas, to corruptly solicit and demand for the benefit of any person, and accept and agree to accept, anything of value from any person, intending to be influenced and rewarded in connection with a business, transaction, and series of transactions of \$5,000 or more, in violation of Title 18, United States Code, Sections 666(a)(1)(B); and

e. for B. GOSS, T. GOSS, Cranford, Hutchinson, Woods, Neal, Wilkins, and others known and unknown to the Grand Jury, to devise and intend to devise a scheme to defraud and deprive the citizens of the state of Arkansas of their right to the honest services of Hutchinson,

Woods, Neal, and Wilkins, through bribery and kickbacks, in violation of Title 18 United States Code, Sections 1343 and 1346.

Purposes of the Conspiracy

67. It was a purpose of the conspiracy for B. GOSS, T. GOSS, Hayes, Cranford and Cooper, to enrich themselves by: embezzling, stealing, obtaining by fraud, and without authority knowingly converting to their use; property and money that were owned by, and were under the care, custody, and control of the Charity;

68. It was also a purpose of the conspiracy for B. GOSS, T. GOSS, Nolan, Cranford, Hutchinson, Woods, and Wilkins, to enrich themselves by generating additional funding for the Charity for them to steal and intentionally misapply, including, but not limited to, providing money and other things of value to public officials, including Hutchinson, Woods, Neal, Wilkins, and others known and unknown to the Grand Jury, in exchange for the public officials taking and agreeing to take legislative and official action favorable to the Charity, B. GOSS, T. GOSS, and Cranford.

69. It was another purpose of the conspiracy for Hutchinson, Woods, Neal, Wilkins, and others known and unknown to the Grand Jury, to enrich themselves, by soliciting, demanding, and accepting money and other things of value, and agreeing to accept money and other things of value, from the Charity, B. GOSS, T. GOSS, and Cranford, in exchange for Hutchinson, Woods, Neal, Wilkins, and others known and unknown to the Grand Jury, providing and agreeing to provide favorable legislative and official action to the Charity, B. GOSS, T. GOSS, and Cranford, including but not limited to sending additional income, in the form of Arkansas GIF funds, to the Charity.

70. It was also a purpose of the conspiracy for B. GOSS, T. GOSS, Cranford, Hutchinson, Woods, Neal, Wilkins, and others known and unknown to the Grand Jury, to hide, conceal, and cover up the nature and scope of the dealings between B. GOSS, T. GOSS, Cranford, and the Charity with Hutchinson, Woods, Neal, Wilkins, and others known and unknown to the Grand Jury.

Manner and Means

71. The manner and means by which the conspirators achieved and attempted to achieve the objects of the conspiracy included, but were not limited to, the following:

72. **Theft, Embezzlement, Fraud, and Conversion.** By a variety of means, including the following, B. GOSS, T. GOSS, Hayes, Cranford, Cooper, and others known and unknown to the Grand Jury, embezzled, stole, obtained by fraud, and without authority knowingly converted to the use of any person other than the rightful owner, property and money of the Charity.

a. B. GOSS and T. GOSS caused the Charity to provide interest-free loans to their for-profit companies, WDM, WDAH, WDP, NWAPMG, and BMHI, and to Cranford.

b. B. GOSS and T. GOSS caused the Charity to pay WDAH excessive amounts for leased vehicles.

c. B. GOSS and T. GOSS used the Charity's funds and property to benefit Entity E, including: (i) providing Entity E with funds to pay rent on its warehouse space in Springfield, Missouri; (ii) paying Cranford and Jones to conduct lobbying and advocacy work on behalf of Entity E; and (iii) charging Entity E no rent and below-market rent on its office space in Springfield, Missouri.

d. B. GOSS and T. GOSS caused the Charity to make payments to WDAH and Cranford purported to be for the use of various recreational and residential properties.

e. B. GOSS and T. GOSS caused the Charity to purchase from WDAH recreational real estate.

f. B. GOSS and T. GOSS caused the Charity to pay for personal services for themselves, which were not reported as compensation.

g. Between 2013 and 2017, B. GOSS and T. GOSS caused the Charity to spend Charity funds for charter air flights for B. GOSS and T. GOSS to commute between their home in Colorado and their work at the Charity's office in Springfield, Missouri, and for personal travel by their family members and pets, and for T. GOSS's business travel related to his work for Entity E, which were not reported as compensation.

h. B. GOSS, T. GOSS, and Cranford caused the Charity to provide premium tickets to sporting events and hotel accommodations for themselves, family members, friends, and public officials—including Hutchinson and Woods—which were not reported as compensation to Charity employees and were not reported by the Charity as gifts, travel or entertainment furnished to public officials.

i. For the years 2013 through 2017, T. GOSS and B. GOSS caused the Charity to pay the Cranford Coalition more than \$2 million dollars with the agreement that, during the same period, Cranford would pay kickbacks to T. GOSS, and in which Cranford did pay kickbacks, by way of checks totaling more than \$500,000, and in cash.

j. Between 2013 and 2016, B. GOSS, T. GOSS, Nolan, and Cranford caused the Charity to pay to Jones more than \$500,000. Between 2013 and 2017, Jones agreed to pay, and did pay, Cranford kickbacks to Cranford directly, and through Cranford, to T. GOSS.

73. **Intentional Misapplication.** By a variety of means, including the following, B. GOSS, T. GOSS, Nolan, and Cranford, together with, and aided and abetted by, Hutchinson,

Woods, Wilkins, and others known and unknown to the Grand Jury, intentionally misapplied Charity funds by causing the Charity to expend its funds for the conduct described in paragraph 72 immediately above, and for lobbying and political advocacy, political campaign contributions, and offering and giving money and other things of value to public officials for unauthorized, unjustifiable, and wrongful purposes.

a. B. GOSS, T. GOSS, Nolan, and Cranford caused the Charity to reimburse financial contributions made by themselves and others, including the Charity's lobbyists, to the campaigns of candidates for public office as indirect contributions which were prohibited by law since the Charity, as a tax exempt organization, was prohibited from making such contributions directly and since these "straw donor" contributions unlawfully concealed the Charity as the true source of the contributions.

b. B. GOSS, T. GOSS, Nolan, and Cranford caused the Charity to unlawfully provide and conceal in-kind contributions to the campaigns of candidates for public office, including by hosting and subsidizing fundraising events.

c. B. GOSS, T. GOSS, Nolan, and Cranford, aided and abetted by Hutchinson, Woods, Wilkins, and others, caused the Charity to intentionally misapply funds for substantial undisclosed lobbying and political advocacy.

d. B. GOSS and Cranford, together with, and aided and abetted by, Hutchinson, caused the Charity to hire Hutchinson, purportedly as the Charity's attorney, and pay him a monthly retainer for which Hutchinson often performed little, to no, legal work.

e. T. GOSS and Cranford directed a \$30,000 check from the Charity to the SJUMC Discretionary account controlled by Wilkins.

74. **Bribery.** By a variety of means, including the following, B. GOSS, T. GOSS, Cranford, and others known and unknown to the Grand Jury, offered and gave money and other things of value, including Charity money and property, to public officials, in exchange for the public officials agreeing to take, and taking, legislative and official action favorable to the Charity, B. GOSS, T. GOSS, and Cranford for specific acts, and as opportunities arose. Moreover, those public officials, including Hutchinson, Woods, Neal, and Wilkins, solicited, demanded, accepted, and agreed to accept money and other things of value, in exchange for agreeing to take, and taking, legislative and official action favorable to the Charity, B. GOSS, T. GOSS, and Cranford for specific acts, and as opportunities arose.

a. B. GOSS, T. GOSS, and Cranford caused the Charity to provide public officials, including Hutchinson and Woods, with travel and entertainment not reported on its IRS Forms 990, including hotel accommodations and use of the Charity's luxury and recreational real estate.

b. B. GOSS, T. GOSS, Nolan, and Cranford caused the Charity to pay and agree to pay bribes to public officials, in the form of payment for things such as salaries for the public officials and family members of public officials, consulting, training, legal services, and purported charitable donations.

c. Cranford paid cash bribes to Hutchinson, Woods, and Wilkins.

d. T. GOSS, B. GOSS, and Cranford caused the Charity to employ "Person #14," who was an individual close to Woods, in exchange for Woods agreeing to take, and taking, legislative and official action favorable to the Charity, B. GOSS, T. GOSS, and Cranford.

e. T. GOSS and Cranford directed checks from the Charity and Cranford Lobbying Firms to Wilkins, in exchange for Wilkins agreeing to take, and taking, legislative and official action favorable to the Charity, B. GOSS, T. GOSS, and Cranford. The checks to Wilkins were deposited into the SJUMC Discretionary account controlled by Wilkins.

f. B. GOSS and Cranford caused the Charity to hire Hutchinson and pay him a monthly retainer, at least in part, in exchange for Hutchinson agreeing to take, and taking, legislative and official action favorable to the Charity, B. GOSS, T. GOSS, and Cranford. Cranford also offered and gave Hutchinson cash and professional referrals, which resulted in additional money, retainers, and attorney's fees being paid to Hutchinson.

g. In exchange for the things of value provided by B. GOSS, T. GOSS, Cranford, and the Charity, public officials—including Hutchinson, Woods, Neal, and Wilkins—took favorable legislative and official action on behalf of the Charity, B. GOSS, T. GOSS, and Cranford, including but not limited to: holding up agency budgets; initiating legislative audits; sponsoring, filing, and voting for legislation, including shell bills; and influencing and supporting the award of GIF funds.

75. **Concealment.** By a variety of means, including the following, B. GOSS, T. GOSS, Nolan, Cooper, Cranford, Hutchinson, Woods, Wilkins, and others known and unknown to the Grand Jury, concealed, covered up, and falsified evidence of their theft, embezzlement, and intentional misapplication of the Charity's funds, and their payment and acceptance of bribes:

a. To conceal the unlawful payments to others, kickbacks paid to themselves, and to disguise and conceal the nature and source of the payments, B. GOSS, T. GOSS, Nolan, and Cranford caused the Charity's books and records to misrepresent, conceal, and cover up the true nature of the payments, by falsely describing such unlawful payments as being for attorney's

fees and legal retainers, charitable contributions, training and consulting, by creating and causing others to create invoices that did not correctly describe the services provided, and by causing the Charity to execute sham consulting agreements, training agreements, and agreements for other services.

b. To conceal their embezzlement and intentional misapplication of Charity funds and property from the IRS, federal and state agencies that regulated and provided funds to the Charity, and from the public, T. GOSS, B. GOSS, Hayes, and Nolan caused the Charity to file IRS Forms 990 that contained false statements and material omissions regarding the Charity's political campaign activities, expenditures, and excess benefit transactions, and to file grant applications with Federal and state agencies that contained false statements and material omissions regarding the Charity's lobbying activities.

c. To conceal the check payments to Wilkins, Cranford varied the increments of the checks deposited into the SJUMC Discretionary account. Cranford also continued to make payments to SJUMC after Wilkins left the legislature to conceal the scheme.

d. In early 2015, "Employee F" informed T. GOSS and B. GOSS he/she had discovered evidence that from January 3, 2011, through March 31, 2014, Hayes had embezzled from the Charity. To conceal their own embezzlement and intentional misapplication of Charity funds, T. GOSS and B. GOSS directed Employee F to not inquire further into the matter, and further withheld information regarding the thefts from the Charity's Board of Directors, its insurance carrier, and any law enforcement agency of Hayes's embezzlement, in violation of their fiduciary duties to the Charity.

76. To conceal the payment of bribes to public officials, in 2014, after learning of an investigation by federal law enforcement officials, Cranford and others returned to the NWAEDD GIF money obtained in exchange for the payment of bribes.

77. To conceal their theft, embezzlement, and intentional misapplication of funds, and the payment of bribes to public officials, T. GOSS, B. GOSS, Nolan, Hayes, and others caused the Charity to file with the IRS Forms 990 that contained material false statements and omissions regarding the existence and nature of transactions involving disqualified persons, the Charity's spending for lobbying and political advocacy, and the Charity's compliance with Federal law regarding political campaign activities.

Overt Acts

78. In furtherance of the conspiracy, and to accomplish its objects and purposes, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, and Hutchinson, Cooper, Cranford, Hayes, Nolan, Neal, Wilkins, Woods, and others known and unknown to the Grand Jury, committed the following overt acts, among others, in the Western District of Missouri and elsewhere:

I. B. GOSS, T. GOSS, and Others Embezzled, Stole, Intentionally Misapplied, Without Authority Knowingly Converted to the Use of Any Person Other Than the Rightful Owner, and Fraudulently Obtained Charity Money and Property Through a Variety of Means

A. B. GOSS, T. GOSS, and Others Gave Themselves Interest-Free Loans

A1. Beginning as early as 2005 and continuing through 2015, on multiple occasions, B. GOSS, T. GOSS, Hayes, and others known and unknown to the Grand Jury, caused the Charity to lend money to four of their for-profit companies—WDAH, WDP, NWAPMG, and BMHI—with total amounts outstanding at the end of each of the Charity's tax years and total interest paid as set forth below:

Tax Year	Year Ending Date	Total Due to Charity at Year End	Total Interest Paid
2005	06/30/2006	\$ 330,000.00	\$ 0.00
2006	06/30/2007	\$ 330,000.00	\$ 0.00
2007	06/30/2008	\$ 0.00	\$ 0.00
2008	06/30/2009	\$ 253,355.93	\$ 0.00
2009	06/30/2010	\$ 655,051.93	\$ 0.00
2010	06/30/2011	\$1,216,995.45	\$ 0.00
2011	06/30/2012	\$1,206,534.36	\$ 0.00
2012	06/30/2013	\$1,219,731.17	\$ 0.00
2013	06/30/2014	\$1,073,097.77	\$ 0.00
2014	06/30/2015	\$1,404,297.77	\$ 0.00
2015	06/30/2016	\$ 469,820.00	\$21,173.32

B. B. GOSS, T. GOSS, and Others Inflated Prices for Vehicles Leased to the Charity

B1. From at least as early as 2011 through April 30, 2015, T. GOSS caused WDAH to provide the Charity with vehicles leased from “Company B,” the Missouri fleet management affiliate of a national car rental company, and then B. GOSS and T. GOSS caused the Charity to pay WDAH a greater rate to lease those vehicles than the rate paid by WDAH to Company B to lease those vehicle to WDAH, as set forth below:

Calendar Year	Charity Payments to WDAH	WDAH Payments to Company B	Difference
2011	\$475,800	\$305,772	\$170,028
2012	\$482,000	\$269,574	\$212,426
2013	\$477,000	\$255,787	\$221,213
2014	\$555,000	\$253,798	\$301,202
Total	\$1,989,800	\$1,084,931	\$904,869

C. B. GOSS, T. GOSS, and Others Caused the Charity to Make Payments to WDAH and Cranford Purported to be For the Use of Various Recreational and Residential Properties

C1. From 2009 through 2015, T. GOSS and B. GOSS caused the Charity to pay rent to WDAH on recreational properties unrelated to the Charity’s mission, including the following, with payments totaling more than one million dollars: (a) the property referred to by B. GOSS, T. GOSS, and others as “the Mountain House,” located at 103 Highway Cir #1754, in

Compton, Arkansas, which was owned by WDAH. The property consisted of a 590-acre property, with a 1,920 square foot house, a small cabin, a large shop building, a horse stable, and multiple ponds; and (b) the property referred to by B. GOSS, T. GOSS, and others as “the Lake House,” located at 157 County Road 1163, in Eureka Springs, Arkansas, which B. GOSS and T. GOSS sold to WDAH on July 25, 2011. The luxury lake-front property consisted of a 5,292 square foot house with multilevel decks, and included a two-slip private boat dock; it was situated on a limestone bluff, with a 20-foot waterfall leading to a water garden.

C2. From January 2014 through June 2015, B. GOSS, T. GOSS, and others caused the Charity to pay a total of \$63,050 to Cranford as rent on two parcels of real estate: (a) The property located at 2004 Boca Chica, in North Port, Florida—a 1,858 square foot home with 3 bedrooms, 2 bathrooms and an in-ground swimming pool. The home was a 20-minute drive to Charlotte Harbor, Florida, and a 30-minute drive to Venice Beach, Florida; and (b) Cranford’s childhood home, which was located at 9780 Texas 77, in Douglassville, Texas.

C3. In April 2015, B. GOSS, T. GOSS, and others caused the Charity to pay a total of \$1,853,000 to WDAH to purchase the Mountain House, the Lake House, and “the Lake Hut”—a smaller parcel and house adjoining the Lake House property that Nolan transferred to WDAH.

C4. On March 14, 2016, T. GOSS caused the Charity to file an IRS Form 990, for Alternative Opportunities, Inc., for July 1, 2014, through April 30, 2015, which on Schedule L, Part IV (Business Transactions Involving Interested Persons), Line 15, reported the Charity’s purchase of two “administrative buildings” and several vehicles from WDAH for a total purchase price of \$2,080,898; whereas, as T. GOSS then and there well knew and believed, by describing the “Lake House” and “Mountain House” as “administrative buildings,” the Form 990 concealed

from the IRS and the public the fact that the Charity spent a large sum to purchase luxury vacation homes;

D. B. GOSS, T. GOSS, and Others Used Charity Money, Property, and Employees to Finance and Perform Work For Entity E

D1. From July 2014, through August 2017, B. GOSS and T. GOSS caused the Charity to pay Entity E a total of \$132,500 for the lease of a warehouse, as set forth below.

a. On March 13, 2014, T. GOSS, B. GOSS, Person #21, and others discussed, via e-mail, Entity E's rental of a warehouse in Springfield, Missouri. In the exchange, T. GOSS informed Person #21 that the warehouse was well-suited for Entity E's use and was "Ok for free rent," Person #21 indicated that he approved of the arrangement if T. GOSS and B. GOSS did, and B. GOSS replied, ". . . I'm completely supportive."

b. On May 16, 2014, T. GOSS, as Entity E's owner, signed a lease with "Company D" for the lease of a warehouse located at 2650 North Westgate, Springfield, Missouri, for \$5,312.50 per month.

c. From July 2014 through February 2015, B. GOSS and T. GOSS caused the Charity to pay Entity E monthly payments in the amount of \$5,312.50.

d. In February 2015, B. GOSS caused the Charity to enter into a backdated Memorandum of Understanding ("MOU") with Entity E, agreeing for the Charity to pay Entity E monthly payments for "training services" at the rate of \$3,000.00 per month for up to six (6) trainees and \$150 per week per trainee for trainees in excess of six. The MOU stated that "remuneration for any one (1) month of training services will not exceed **\$5,000.00** regardless of the number of trainees in attendance." (Emphasis in original.) This MOU, signed by Person #21 on behalf of Entity E, and Employee E for B. GOSS on behalf of the Charity, was backdated to falsely reflect a signature date of July 1, 2014.

e. From March 2015 through August 2017, B. GOSS and T. GOSS caused the Charity to pay Entity E monthly payments in the amount of \$3,000.

D2. Between 2013 and June 2017, Jones provided lobbying and advocacy services for Entity E on a variety of matters, for which Jones was compensated by the Charity.

D3. In and about 2013, Cranford provided lobbying and advocacy services for Entity E, specifically concerning Entity E's relocation efforts, for which he was compensated by the Charity.

D4. From May 2015 until at least June 2016, the conspirators caused the Charity to provide office space, at no cost, to Entity E in the Charity's main office building. From July 2016 to August 2017, the conspirators caused the Charity to rent office space to Entity E in the Charity's main office building, at a rate well below market value.

E. B. GOSS and T. GOSS Caused the Charity to Pay for Chartered Flights for Themselves, Their Family Members, and Their Pets

E1. Between 2013 and 2017, as an expense not in furtherance of the Charity's mission and an un-taxed benefit to themselves, B. GOSS and T. GOSS caused the Charity to spend over \$300,000, directly and indirectly, for charter air flights for B. GOSS and T. GOSS to commute between their home in Colorado and their work at the Charity's office in Springfield, Missouri, for personal travel by their family members and pets, and for T. GOSS's business travel related to his work for Entity E. The passengers on these flights included B. GOSS, T. GOSS, Nolan, their family members, and their dogs, Daisy and Boo (or Boo Boo) (often identified by name on the flight manifests). The Charity had no offices and offered no services in Colorado. T. GOSS caused the Charity to pay "Company C," a charter air service headquartered in Springfield, Missouri, for charter flights that involved stops in Denver, Colorado, at an average cost of more than \$8,000 per round trip flight from Springfield to Denver and back to Springfield.

E2. During each of the years 2011 through 2016, B. GOSS and T. GOSS caused the Charity and WDM to issue IRS Forms W-2 to B. GOSS, T. GOSS, Nolan, Cranford, and others that did not include costs associated with these charter flights as compensation to the employees, despite the personal nature of the trips.

E3. On March 14, 2016, T. GOSS caused the Charity to file an IRS Form 990, for Alternative Opportunities, Inc., for July 1, 2014, through April 30, 2015, which on Schedule J, Part III (Supplemental Information), providing supplemental information for Schedule J, Part I, Line 1A, falsely stated: “ALL CHARTER TRAVEL PROVIDED WAS FOR BUSINESS PURPOSES ONLY, THEREFORE THE VALUE OF SUCH TRAVEL WAS NOT INCLUDED AS TAXABLE COMPENSATION.”

F. B. GOSS and T. GOSS Used Charity Money, Property and Employees For Their Personal Use and to Perform Personal Services

F1. From at least as early as 2013 until 2017, B. GOSS and T. GOSS caused the Charity to pay several of its employees to perform personal services for themselves, such as: caring for B. GOSS’s minor child, transporting their two dogs to the veterinarian and groomers, coordinating lawn care and home cleaning services, and running personal shopping errands, the value of which services were not reported to the IRS as compensation for B. GOSS and T. GOSS.

F2. “Employee L,” a Charity employee from 2013 until 2017, was paid by the Charity to perform personal services for T. GOSS and B. GOSS, including housekeeping and cleaning their personal residences, picking up and delivering groceries, scheduling home maintenance appointments, and transporting their two dogs to veterinarian and grooming appointments.

F3. “Employee M,” a Charity employee from November 2013 until March 2017, was paid by the Charity to perform personal services for T. GOSS and B. GOSS, including

shoveling snow, walking and buying meat for their two dogs, and assisting and escorting in the transport of the dogs between Colorado and Missouri.

F4. During each of the years 2013 through 2016, B. GOSS and T. GOSS caused the Charity and WDM to issue false IRS Forms W-2 to B. GOSS, T. GOSS, and others, that did not report or include the value of the Charity-provided personal benefits, including personal services and personal assistants, which was compensation from the Charity to B. GOSS and T. GOSS.

G. T. GOSS and Cranford Engaged in a Kickback Scheme to Steal Charity Money

G1. At least as early as 2013, T. GOSS directed Charity payments to the Cranford Coalition, and demanded Cranford pay him approximately half of those funds that were not designated for specific purposes, as kickbacks.

G2. From July through December 2013, in furtherance of his agreement with Cranford, T. GOSS issued checks to the Cranford Coalition, drawn on the accounts of the Charity, both AO and Dayspring accounts, and Ameriwork, Inc., and at the same time Cranford issued checks, drawn on the Cranford Coalition's account, to T. GOSS personally, as set forth below:

Checks Issued by Charity to Cranford Coalition				Checks Issued by Cranford Coalition to T. GOSS		
Payor	Check	Dated	Amount	Amount	Dated	Check
AO	#86640	07/01/2013	\$150,000	\$75,000	07/01/2013	#2202
AO	#87602	08/01/2013	\$144,000	\$72,000	07/31/2013	#2217
AO	#88344	08/28/2013	\$15,000	\$4,500	09/02/2013	#2237
AO	#88974	09/20/2013	\$8,500	\$4,250	09/20/2013	#2252
Ameriwork Inc.	#1002	10/15/2013	\$16,500	\$8,250	10/15/2013	#2261
Dayspring	#39157	10/25/2013	\$48,000	\$24,000	10/25/2013	#2267
AO	#91293	12/05/2013	\$150,000	\$75,000	12/12/2013	#2320
AO	#91508	12/12/2013	\$187,175	\$85,000	12/12/2013	#2321
AO	#91800	12/19/2013	\$16,700	\$8,350	12/19/2013	#2436
Totals			\$735,875	\$356,350		

G3. On May 20, 2013, T. GOSS e-mailed Cranford, stating, in part, “Hey where are you tomorrow, am going to send you \$150k today. Send me \$75k overnight. Figure \$25k tax so we net \$50k. Our story is we got \$50k.”

G4. In June 2014, because T. GOSS did not want a Form 1099 to reveal the monies he received from the Cranford Coalition to the Internal Revenue Service, Cranford and T. GOSS agreed that Cranford would make cash payments to T. GOSS of thirty percent (30%) of the funds the Cranford Coalition obtained from the Charity.

G5. On June 5, 2014, T. GOSS texted Cranford, stating, in part, “Hey from now on just send me 30% cash and you keep the rest for tax on [the Cranford Coalition] stuff. That gives you 40% of my half for tax. That way I don’t get 1099 and you aren’t short on tax.”

G6. On June 26, 2014, T. GOSS and Cranford had the following exchange via text message:

T. GOSS: At 30% I think about \$28,500 roughly. I think the total was \$95k or \$96k. That leaves you 40% of my half for taxes. I can give you exact later.

Cranford: Ok brother I think I can send 15 no problem bubba

T. GOSS: Ok. No problem.

Cranford: Thanks bubba.

* * *

Cranford: Gona [sic] send the package so u get by Tuesday

Cranford: Ok. Call u in a bit

T. GOSS: I am in Springfield Tuesday. 1111 S Glenstone, Suite 3-100, Springfield, Mo. 65804. Going out to ride bike for a couple hours.

Cranford: Ok bubba. I will have it there Tuesday for u

T. GOSS: K [Okay.]

G7. On June 27, 2014, T. GOSS and Cranford had the following exchange via text message:

Cranford: Attn: [redacted], BancorpSouth
1211 S Shackleford RD
Little Rock, AR 72211

Cranford: Bubba if you will overnight to her we get zero holds.

T. GOSS: Will be there by 10am on July 2. I don't get the check till the first.

Cranford: Ok brother

* * *

Cranford: Are u sending 3 checks next week or one and what do I send u back total. I know what I'm sending next week but what's total

T. GOSS: One. Total is \$94,750 is what your deposit will be.

Cranford: Ok. Bubba but what all is that for

T. GOSS: Well \$72,000 is contract. \$5,200 is TX, what ever [sic] the rest is [FL].

G8. On July 1, 2014, T. GOSS caused the Charity to issue check #46309, drawn on its Dayspring account, in the amount of \$94,750, which was deposited to the Cranford Coalition account at Bancorp South on July 2, 2014.

G9. After T. GOSS obtained his share of cash from the Charity's payment to the Cranford Coalition, on July 2, 2014, he entered the lobby of the MNB Banking Center located at 600 South Glenstone Avenue, Springfield, Missouri, approached a teller and asked to deposit cash in the amount of \$15,000 into MNB checking account ending 6442, belonging to WDAH. Once the transaction was completed, the teller began the process of completing a Currency Transaction Report ("CTR")—which was a bank's report to the United States Department of the Treasury, Financial Crimes Enforcement Network ("FinCEN") that was required by law for each transaction in currency (deposit, withdrawal, exchange, or other payment or transfer) of more than \$10,000 by, through, or to the bank—and asked T. GOSS for assistance in verifying items of information required for the report. At that point, T. GOSS responded by stating that he did not realize the CTR requirement included limited liability companies, and that he "did not have time for this," or words to that effect. T. GOSS then requested that the transaction be reversed and changed to reflect a deposit in the amount of \$7,500. The teller complied, and completed the new transaction after reversing the original one.

G10. On July 7, 2014, T. GOSS returned to the MNB Banking Center located at 600 South Glenstone Avenue, Springfield, Missouri, and at the "drive-through" window made a cash deposit to MNB checking account ending 6442, belonging to WDAH in the amount of \$7,000.

G11. On August 25, 2014, after learning of a Federal investigation involving Cranford and the Charity, and to conceal the conspiracy and fraudulent scheme, B. GOSS, Nolan, and Cranford created a back-dated "consulting agreement" between the Cranford Coalition and

the Charity that falsely purported to have been entered into and executed on July 1, 2012, which Nolan signed on behalf of the Charity and Cranford signed on behalf of the Cranford Coalition.

G12. On January 5, 2015, T. GOSS and Cranford had the following exchange via e-mail:

T. GOSS: Where are you tomorrow. I have big check to Fedex. I am in Springfield at 1111 S. Glenstone, Suite 3-100, Springfield, MO 65804 until Thursday night.

Cranford: I'm home with pneumonia and acute bronchitis. . . .

T. GOSS: [...] Tell me where to send the FedEx. I opened the check and the amount is \$142,750 so is correct [sic][.]

Cranford: [Address redacted.]

T. GOSS: OK, be sure and send me \$100k on that one. We will work out the difference later. Thank you.

H. T. GOSS, Cranford, and Jones Engaged in a Kickback Scheme to Steal Charity Money

H1. In 2013, Cranford, acting in his capacity as an employee of the Charity, advocated to B. GOSS, T. GOSS, and Nolan that the Charity enter into a contract with Donald Andrew Jones, and influenced the Charity in its award of the contract whereby the Charity paid Jones for lobbying and advocacy services. In exchange, Jones paid Cranford kickbacks.

H2. Between September 30, 2013, and December 14, 2016, B. GOSS, T. GOSS, Nolan, and Cranford caused the Charity to pay to Jones more than \$600,000.

H3. Between October 1, 2013, and January 17, 2017, Jones paid Cranford more than \$100,000, by way of checks and wire transmission of funds to Cranford and the Cranford Coalition.

H4. On September 30, 2013, T. GOSS caused the Charity to issue check #89186, in the amount of \$60,000, to Jones. On October 1, 2013, Jones issued two checks, #3452

and #3453, each for \$20,000, to the Cranford Coalition and Cranford, respectively. On October 1, 2013, Cranford issued check #2254, in the amount of \$20,000, drawn on the Cranford Coalition's account, to T. GOSS.

I. B. GOSS, T. GOSS, and Others Concealed Hayes's Embezzlement

I1. From January 3, 2011, through March 31, 2014, Hayes embezzled more than \$1.9 million from the Charity, by causing AO, doing business as Dayspring, to issue checks, directly and indirectly, that were payable to either himself or another person.

I2. In early 2015, when informed by Employee F that he/she had discovered evidence of Hayes's embezzlement, B. GOSS and T. GOSS directed Employee F to not inquire further into the matter.

I3. From 2015 onward, in violation of their fiduciary duties, B. GOSS and T. GOSS withheld information regarding Hayes's embezzlement from the Charity's Board of Directors, and caused the Charity to not report the embezzlement to its insurance carrier, law enforcement agency, and attorneys from a law firm retained by the Charity in relation to the criminal investigation.

J. B. GOSS, T. GOSS, Nolan, Cranford, and Others Intentionally Misapplied Charity Money and Property for Lobbying and Political Advocacy, and Concealed the Charity's Expenditures for Lobbying and Political Advocacy

J1. B. GOSS, T. GOSS, Nolan, Cranford, and others caused the Charity to expend resources for lobbying and political advocacy by directly making payments to the following individuals and entities and causing indirect payments through WDM and WDAH, including:

a. Substantial lobbying work performed by Nolan, whose annual compensation package as reported on the Charity's IRS Forms 990 grew from \$39,000 in tax year 2005 to \$815,326.61 in tax year 2015.

b. Payments to "Person #19" and "Person #20," doing business as "Lobbying Firm D," in Jefferson City, Missouri, totaling more than \$500,000 from July 2013 until September 2017.

c. Payments to the Cranford Coalition, totaling more than \$1.7 million from January 2013 to April 2017 (excluding the \$377,350 Cranford kicked back to T. GOSS in the form of checks).

d. Payments to Donald Andrew Jones, totaling approximately \$456,000 from January 2012 to December 2016 (excluding the \$264,000 Jones kicked back to Cranford and T. GOSS).

e. Payments to Person #18, who was a member of the Charity's board of directors and also a lobbyist registered with the State of Oklahoma, totaling more than \$275,000 from July 2013 until November 2017.

J2. On September 20, 2013, in response to a Cranford Coalition invoice in the amount of \$15,000, for services described as "Consulting/ Lobbying," Nolan sent an e-mail to Cranford, stating: "Do not---and I repeat---do not---put lobbying on another invoice---just put consultation or training and development..."

K. B. GOSS, T. GOSS, Nolan, Cranford, and Others Misapplied Charity Money and Property to Pay for Political Campaign Contributions, Fundraisers, and In-Kind Contributions, including to Missouri Senator A, in Violation of the Laws Regarding the Charity's Tax-Exempt Status

K1. Beginning as early as 2010, in Arkansas, Cranford, Cooper, Employee D at Cranford's direction, and others, organized fundraisers for many candidates running for seats in

the Arkansas State Senate and Arkansas House of Representatives, which were often held at restaurants and hotels in Arkansas. Cranford, Cooper and others were authorized by B. GOSS, T. GOSS, and Nolan to intentionally misapply Charity funds to pay for the expenses related to the fundraisers using their Charity-issued corporate credit cards, which were paid by the Charity.

K2. Beginning as early as 2010, in Missouri, at the direction of Nolan and T. GOSS, “Employee H” organized fundraisers for several candidates running for seats in the Missouri State Senate, Missouri House of Representatives, and the Greene County Commission. At the direction of Nolan, Employee H arranged for catering, liquor, decorations, and other food, all purchased using his/her Charity-issued corporate credit card, which was paid by the Charity. Such fundraisers included the following:

a. On September 7, 2010, T. GOSS, B. GOSS, Nolan, Noble, Person #16, and two others hosted a fundraiser for “Missouri Senator B,” who was then a candidate for the Missouri State Senate. This event was held at the home of Employee H. Expenses related to the reception were paid by Employee H, using the Charity’s corporate credit card, which was paid by the Charity.

b. On February 3, 2012, T. GOSS sent an e-mail to multiple individuals including Charity board members and employees stating: “I would like to invite you all to a time of conversation and fundraising for [“Missouri Senator A”], Candidate for Missouri Senate . . . District, Thursday February 15th, 5:30pm to 7:00pm. THE [sic] event is at the home of [Employee H.]”

c. On February 16, 2012, T. GOSS, B. GOSS, Nolan, Person #16, and four others caused the Charity to sponsor a fundraiser for Missouri Senator A, who was then a candidate for the Missouri State Senate. This fundraiser was held at the home of Employee H.

The caterer and other event expenses were paid by Employee H, using the Charity's corporate credit card, which was paid by the Charity.

d. On March 15, 2012, the Charity's Board of Directors held a meeting at Employee H's condominium building, in conjunction with a fundraiser for Missouri Representative A, who was then a candidate for the Missouri State Senate. The fundraiser, held at Employee H's residence, was hosted by T. GOSS, B. GOSS, Nolan, Noble, and others.

K3. From 2010 to 2014, B. GOSS, T. GOSS, Nolan Cranford, and others communicated by e-mail to facilitate the payment of campaign contributions, political fundraisers, and in-kind contributions with Charity money and property, including, but not limited to, the following:

a. On October 26, 2011, B. GOSS sent an e-mail to Cranford, stating, "What has [Person #8] said?"

b. On October 26, 2011, Cranford responded to B. GOSS stating "Nothing[,] could not reach him yesterday. All he wants is for us to give him a huge fundraiser like we did [an executive branch official] and he is not the person to do that for[.]"

c. On January 4, 2012, Cranford sent an e-mail to T. GOSS, stating, in part, "Here is [Person #8] check[,]we still have to do another \$8000. That is what Bontiea wanted to do. This is not apart [sic] of our campaign budget." Attached to Cranford's e-mail to T. GOSS was a copy of check #1719 in the amount of \$2,000, payable to [Person #8] for Senate.

d. On January 13, 2012, Cranford sent an e-mail to T. GOSS stating:

Here is [sic] copies of checks we were hit with this week. Welcome to campaign season and 2012. "The YEAR of The Greed" is what it is called! We documented the big big checks so you would know who these people are, it came to \$7000.00. This is contributions well spent. The biggest wast[e] of campaign funds is to our [own] employee and you know who that is.

Attached to Cranford's e-mail to T. GOSS on January 13, 2012, were images of nine checks totaling \$7,000, all drawn on the Cranford Coalition's account and payable to elected public officials in the Arkansas State Senate and Arkansas State House of Representatives.

e. On August 15, 2013, "Employee A," who then supervised the accounting department at the Charity, sent an e-mail to T. GOSS and B. GOSS, stating:

["Employee B"] wrote 3 checks to Cranford Coalition (\$24000, \$7000, \$144000) that were posted to prepaid as you wanted them expensed over FY 13-14.

They appear to be contribution checks to cover checks that Rusty wrote from the Cranford Coalition.

I don't think we can expense them to contributions so what would you like for ["Employee C"] to expense them to each month?"

f. On August 15, 2013, B. GOSS forwarded the e-mail to T. GOSS and Nolan, stating "Pls keep Marilyn in the loop on this."

g. On August 16, 2013, Nolan replied in an e-mail to T. GOSS and B. GOSS, stating "Rusty told me he thought you were calling consultation ---why does [Employee A] think contribution? We cannot call contribution..."

h. On August 16, 2013, T. GOSS replied to Nolan stating, "I told her consult and training. Will send again."

i. On December 5, 2013, T. GOSS sent an e-mail to Cranford, stating "Do you have a list of the folks we need to give money to and how much each for 2014. I want to start working on that. Don't payout of [Cranford Coalition] because of taxes unless I tell you to. Just get me the list and I will figure out how to do it without you getting hit tax wise."

j. On December 5, 2013, Cranford replied by e-mail to T. GOSS, asking "You are talking about contributions correct[?]"

k. On December 5, 2013, T. GOSS replied by e-mail to Cranford, stating, “Yes. That \$75k to \$100k Marilyn was talking about for 2014.”

l. On April 16, 2014, Cranford e-mailed Nolan, stating:

Here are the (3) I was talking about. Let me know when you want to visit on the ones we need to have made [sic] from up there.

We need; Senator [redacted], Senator [redacted], [Arkansas Senator B], Senator [redacted], Senator [redacted] for sure. Also, we had talked about doing something at the Lake House for [“Arkansas Executive Branch Official B”] way back when, do we still want to do this? It doesn’t matter to me.

Attached to Cranford’s e-mail to Nolan on February 2, 2014, were images of three checks totaling \$5,000, drawn on the Cranford Coalition’s and Cranford’s personal accounts, payable to Arkansas elected public officials.

K4. From 2013 to 2015, T. GOSS, B. GOSS, and Cranford caused the Charity to make contributions totaling at least \$40,000 to the campaign of Missouri Senator A, including: Cranford Coalition check #39316, dated February 5, 2013, for \$25,000; Cranford Coalition check #2339, dated February 17, 2014, for \$10,000; and Cranford Coalition check #2464, dated January 8, 2015, for \$5,000.

K5. T. GOSS, Cranford, and others sought reimbursement for donations to Missouri Senator A to be paid for with Charity money and property. For example on February 17, 2014, T. GOSS and Cranford had the following correspondence, via e-mail:

T. GOSS: Rusty, can I get a check for [Missouri Senator A]. I don’t know how exactly to make it out but I need one for \$10k. Can you sent it with the other today[?]

Cranford: Brother I will[,] let me check and make sure fedx [sic] hasn’t picked up your feds [sic] yet I will write a check now on Cranford[.]

T. GOSS: OK, if they have can you send me another one? [...]

K6. On February 17, 2014, Cranford issued check #2339, in the amount of \$10,000, from the Cranford Coalition Inc.'s Bancorp South account ending 2316. This check was made payable to Missouri Senator A's campaign.

K7. On February 26, 2014, T. GOSS caused the issuance of check #93934, in the amount of \$10,000, payable to Cranford Coalition, from the Charity's MNB account ending 2595.

II. B. GOSS, T. GOSS, Cranford and Others Used Charity Money and Property to Bribe Public Officials, in Exchange for Legislative and Official Action

L. T. GOSS, B. GOSS, and Cranford Offered and Gave Things of Value to Woods

L1. In 2013, Cranford met Woods at various locations and times and offered and gave, which Woods accepted, approximately \$35,000 in cash payments. Cranford also provided other things of value to Woods, such as employment for Person #14. These cash payments and other things of value were provided to Woods with the understanding that in exchange, Woods would use his official position to take legislative action to benefit Cranford, Cranford clients, and the Charity.

L2. In October 2013, T. GOSS, Woods, and Hutchinson attended a Major League Baseball game in St. Louis, Missouri and stayed at a nearby hotel. The costs of the hotel rooms for Woods, and Hutchinson were paid for with Charity funds.

L3. On October 9, 2013, Cranford e-mailed "Employee D," in part stating, "Can you book me (2) rooms in St. Louis for Saturday close to Busch Stadium tell them AO at the Westin."

L4. On October 10, 2013, Cranford e-mailed Employee D, stating “Can you book Senator Jon Woods a room at the same hotel in St. Louis 2 nights identical to [Hutchinson] check in tomorrow afternoon please[.]”

L5. In October 2013, T. GOSS, B. GOSS, and Cranford assisted Person #14 in obtaining a job in exchange for Woods influencing and facilitating the granting of GIF funds to the Charity.

L6. In October 2013, and two days after T. GOSS, Woods, and Hutchinson attended the Major League Baseball game in St. Louis, Missouri, T. GOSS contacted Cranford to discuss the hiring of Person #14, who was someone close to Woods, for a job at the Charity.

L7. On October 15, 2013, T. GOSS had the following e-mail exchange with Cranford:

T. GOSS: AO Dayspring would like to interview [Person #14] for an executive position of Employee Placement for all of Arkansas. Pay would be \$90,000. Get with Bontiea. A salary of that size needs a title to go with it. Will have to pay DP money out of AW. What is your address where you will be tomorrow. We set my brother?

Cranford: Are we in trouble[?]

T. GOSS: No, I told Bontiea it would be funded. She said it needed to be in AO because of the size and has exec team of similar levels. [Employee B] tells Marilyn and Bontiea every time I write a CC check. I can do the little one out of AW and the \$800k. Hey do you need Outcomes money for tax?

T. GOSS: Senator is taken care of. He is new bubba for our team.

L8. On October 16, 2013, at the direction of Woods, Person #14 sent an e-mail to Cranford attaching his/her resume “as requested.”

L9. On December 16, 2013, Cranford e-mailed “Employee P,” with copy to B. GOSS, stating, “her[e] is the grant so you can see what we have been approved for. We will

take your lead on this as we develop these services. Thanks so much[.]” B. GOSS responded, “The[r]e is a woman in NW Ar that Rusty would like to hire to [d]irect the project, with your consultation. As we get closer to beginning, please get with Rusty on her.”

L10. On January 24, 2014, Cranford forwarded an e-mail from Person #14 applying for the position of AR-OJT Program Coordinator at the Charity to Human Resources for Dayspring.

L11. On February 7, 2014, a “Request for New Hire/Personnel Changes” was generated relating to the hiring of Person #14. This request showed the creation of a new position for Person #14 with the title “AR-OJT Program Coordinator” and a salary of \$70,000 per year with \$300 per month mileage expense and a cell phone reimbursement.

M. Cranford and Woods Offered and Gave Things of Value to Neal

M1. In October 2013, and in exchange for steering Ameriworks the GIF money described more fully in Subsection R, below, Cranford paid Woods an unknown amount of money.

M2. In October 2013, after having received the cash from Cranford, and in exchange for steering Ameriworks the GIF money described more fully in Subsection R, below, Woods, on behalf of Cranford, provided Neal \$20,000 in cash.

N. T. GOSS and Cranford Offered and Gave Things of Value to Wilkins

N1. T. GOSS and Cranford directed checks from the Charity, Cranford Lobbying Firms, and Cranford Clients to the SJUMC Discretionary account controlled by Wilkins, who was a pastor at the church, in exchange for Wilkins taking legislative and official action favorable to the Charity, Cranford Clients, and others.

N2. To conceal the check payments to Wilkins, Cranford varied the increments of the checks deposited into the SJUMC Discretionary account and also paid Wilkins directly by

giving Wilkins cash. Cranford also continued to make payments to SJUMC after Wilkins left the legislature to conceal the scheme.

N3. From 2010 through 2014, Cranford also offered and gave, which Wilkins accepted, more than \$20,000 in cash payments.

N4. On December 13, 2013, T. GOSS directed the Charity to issue check #91593, drawn on MNB account ending 2595, to “United Methodist Church” in the amount of \$30,000. On December 18, 2013, the check was deposited into the SJUMC Discretionary Fund, account ending 4672, held at Relyance Bank, in Pine Bluff, Arkansas.

N5. On February 20, 2015, in response to an e-mail from Employee F informing him that Accounting Firm A was asking about the \$30,000 donation to “the United Methodist Church” in December 2013, for the purpose of disclosure on the Charity’s IRS Form 990, T. GOSS sent an e-mail to Employee F stating that it was a “Donation to a youth summer program in Pine Bluff AR, United Methodist Church. That is about it[.]”

O. B. GOSS, T. GOSS, and Cranford Offered and Gave Things of Value to Hutchinson

O1. From 2012 to 2017, B. GOSS and Cranford offered and gave, directly and indirectly, cash; checks; wire transfers; retainers; attorney’s fees; and professional referrals to Hutchinson in exchange for Hutchinson taking legislative and official action favorable to the Charity, Cranford, Cranford Clients, and others, including but not limited to, holding up agency budgets; requesting legislative audits; sponsoring, filing, amending, and voting on legislation; and supporting the award of GIF funds to the Charity, Cranford clients, and others.

O2. Between 2012 and 2017, Cranford offered and gave, which Hutchinson accepted, approximately \$15,000 in cash.

O3. On March 19, 2013, T. GOSS e-mailed Cranford, stating, in part, “Rusty I have the tickets and hotel for the Senator.” The e-mail referred to Hutchinson.

O4. Between January 2013 and March 2013, Cranford assisted and facilitated the hiring of Hutchinson by the Charity, by in February 2013, arranging for a meeting between B. GOSS and Hutchinson to discuss his hiring by the Charity.

O5. In March 2013, Cranford met with B. GOSS and discussed the potential hiring of Hutchinson by the Charity. Cranford and B. GOSS specifically discussed hiring Hutchinson, in part, because of his status as an Arkansas Senator and because of the favorable legislative and official acts Hutchinson could perform on behalf of the Charity.

O6. In April 2013, as a benefit to Hutchinson, B. GOSS caused the Charity to hire Hutchinson, purportedly to provide legal services, at the rate of \$7,500 a month. From May 2014 until in 2017, B. GOSS caused the Charity to pay Hutchinson \$9,000 per month. In total, Hutchinson was paid more than \$350,000 in Charity funds.

O7. In 2013, T. GOSS and Cranford offered and facilitated the giving of Charity-paid-for hotel rooms for the purpose of attending Major League Baseball games to Hutchinson, which he accepted.

O8. In 2015, Accounting Firm A conducted an audit of the Charity. In response to questions from Accounting Firm A, Employee F e-mailed T. GOSS on October 21, 2015, the following:

Auditors want to send a legal letter to Jeremy Hutchinson to confirm no pending or threatening litigation with PFH that could be potential liability. This is standard practice for the auditors and we send them to multiple law firm[s]. They are looking for a contact email for Jeremy for him to prepare the letter; however his phones are disconnected? Do you all have an email address for him they can send the confirmation to?

O9. To conceal the conspiracy and fraudulent scheme, and specifically that Hutchinson was being paid in exchange for taking favorable legislative and official action, T. GOSS responded on the same day, October 21, 2015: “[Cranford] will. [Hutchinson] doesn't work for us in a legal capacity though. He is a consultant. There is no need for the letter since he doesn't provide legal services.”

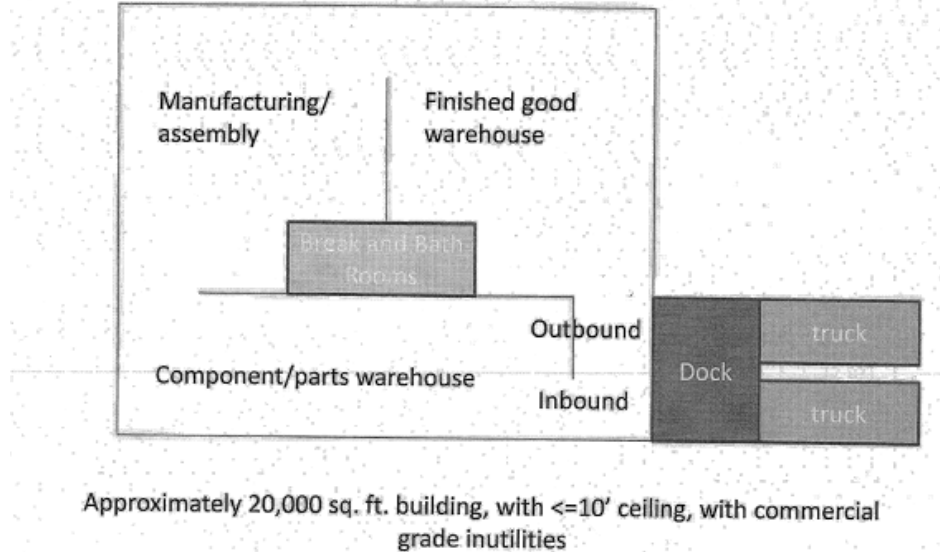
O10. To conceal the unlawful payments to Hutchinson, on July 5, 2016, Hutchinson and B. GOSS executed an engagement letter between Hutchinson and the Charity, which states Hutchinson could not locate the original contract between Hutchinson and the Charity, when in truth there was no original contract and the post hoc engagement letter was created to make the bribe payments to Hutchinson appear legitimate. The same day, B. GOSS sent an e-mail to attorneys retained by the Charity in relation to the investigation by federal law enforcement officials, and stated, amongst other things, that the original engagement letter between the Charity and Hutchinson could not be located and attached the July 5, 2016, engagement letter.

III. In Exchange for Bribes, Hutchinson, Woods, Neal and Wilkins Attempted to, and Did, Steer Arkansas Funds, including GIF, to Entity E, the Charity and Ameriworks

P. B. GOSS, T. GOSS, Cranford and Others Solicited Hutchinson to Assist in the Procurement of Economic Incentives from AEDC, Including Cash Assistance, in Exchange for Entity E Relocating its Operations to Arkansas

P1. In 2013 and 2014, B. GOSS, T. GOSS, Person #21, and others, sought economic incentives from Arkansas, including monetary funds, to move Entity E's operations and facilities from its then-location in Ohio to Arkansas. B. GOSS, T. GOSS, Cranford, and others gave Entity E and Charity funds to Hutchinson, and in exchange, requested that Hutchinson recommend to Arkansas public officials, including AEDC Official A, that they negotiate the procurement of state funds to Entity E to finance the relocation of Entity E facilities to Arkansas.

P2. On May 24, 2013, Person #21 sent an e-mail to T. GOSS with the below building layout:



P3. On the same day, T. GOSS e-mailed the same building layout to Cranford stating: “Rusty, this scan is ki[n]d of what we are thinking. If the building were [sic] over 100’ long that is also helpful. The robotics will be about 125’ long. We can turn the line if we need to.” Cranford forwarded T. GOSS’s e-mail with the building layout to Hutchinson on May 28, 2013, stating: “Here is the robotics the building needs to be at least 20,000 square-foot [...] need to talk to you about this as soon as you can talk. We have got to talk about this today.” Hutchinson responded on the same day, May 28, 2013, stating “Ok, I really want to talk in person soon.”

P4. On June 28, 2013, Hutchinson sent an email to Cranford stating: “Rusty, I spoke to [AEDC Official A] at AEDC and it went very well. [He/she] said that [he/she] thought they could not only find a building to relocate but also offer several incentive packages. [AEDC Official A] would like to meet with Tom the week after the 4th of July. I can attend the meeting as well if you'd like. [AEDC Official A] was very excited and helpful.” Cranford forwarded the e-mail to T. GOSS and B. GOSS. T. GOSS replied, stating: “Rusty I want you and Bontiea there.

July 29 that week or the week of August 12th.” Cranford forwarded this e-mail to Hutchinson. On July 1, 2013, B. GOSS, T. GOSS, and Cranford exchanged e-mails regarding potential dates to travel to Arkansas to meet with AEDC Official A. In one of the e-mail exchanges, B. GOSS told Cranford that “I would REALLY like you to be there.” Cranford replied, “I will be there and would really like too. So count me in boss.”

P5. On July 8, 2013, Hutchinson deposited a \$7,500 payment, from the Charity through Dayspring, to his BOA account ending 8003. On August 5, 2013, Hutchinson deposited a \$7,500 payment, from the Charity through Dayspring, to his BOA account ending 8003.

P6. On September 9, 2013, Cranford sent another copy of the building layout, previously sent to Hutchinson on May 28, 2013, stating “Here are the specs on the building it needs to be min[imum] 20k to 30k sq feet.” Hutchinson responded on the same day, September 9, 2013, “Ok, I’ll try [AEDC Official A] again.”

P7. On September 10, 2013, Hutchinson deposited a \$7,500 payment, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

P8. On October 3, 2013, T. GOSS e-mailed a proposal to AEDC officials, including AEDC Official A, with copies to Person #21, B. GOSS, and Cranford, in which Entity E requested a total of \$4 million in Arkansas State grant funds. In exchange, Entity E agreed “to move its International Headquarters and International shipping/receiving hub to Northwest Arkansas....” Cranford sent an e-mail with the proposal on the same day, October 3, 2013, to Woods and Hutchinson stating: “Here is our proposal we need to bring [Entity E] home to Arkansas.”

P9. On October 16, 2013, Hutchinson deposited a \$7,500 payment, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

P10. On October 18, 2013, T. GOSS forwarded an e-mail in which he discussed points of negotiation over the relocation of Entity E with AEDC officials, including AEDC Official A, to Cranford and B. GOSS. In the body of the forwarded e-mail, T. GOSS discussed the economic incentives that he understood to have been offered to Entity E by the AEDC to relocate Entity E's operations to Arkansas. In the e-mail to Cranford and B. GOSS, T. GOSS stated, "We need a guarantee from Congress and signed by the Gov that [AEDC Official A] won't screw us just like he is scared we will screw him."

P11. On October 23, 2013, B. GOSS e-mailed Hutchinson the following:

Jeremy,

I do not have [AEDC Official A]'s email so I'm asking you to please forward this message.

The Board of Directors for [Entity E] is interested in moving forward with a relocation to Arkansas.

We will begin the process of locating a building immediately. Once we have secured a location, we will follow up with the formal grant (forgivable loan) application. If there is a document that needs to be completed in this process, please let us know. Otherwise we will submit the request as a letter of intent.

P12. On October 23, 2013, Hutchinson responded to B. GOSS's e-mail stating "Yes I will." The following day, October 24, 2013, Hutchinson forwarded B. GOSS's e-mail to AEDC Official A.

P13. On October 24, 2013, AEDC Official B responded to B. GOSS's forwarded e-mail, copying other AEDC officials, including AEDC Official A, as well as B. GOSS and Hutchinson, attaching documents and stating: "Bontiea, [p]er your email below, please see attached. This document will serve as the 'application' for any up-front cash financing or grant that we consider. Thanks, [AEDC Official B.]"

P14. On the same day, October 24, 2013, B. GOSS forwarded AEDC Official B's response to Hutchinson and Cranford, stating:

Can you guys help me. This is what I received in response to my question to [AEDC Official A]. Why am I hearing from [AEDC Official B] and not [AEDC Official A]? Can you help me understand who [AEDC Official B] is?

P15. In the same e-mail to Hutchinson and Cranford described in the preceding paragraph, B. GOSS asked additional questions regarding economic incentives for Entity E to move to Arkansas and further stated the following:

If this isn't going to work, I'm going to work with [Person #18] in Oklahoma and [Person #19 and Person #20] Missouri. At worse [sic] we can develop more in Ohio and talk to Don Jones about long term in Pa.

The short of it is, I really don't have time to be strung along.

Jeremy, can you please get a straight answer for me.

P16. On the same day, October 24, 2013, as the e-mail described in the preceding paragraph, Cranford responded to B. GOSS's e-mail, copying B. GOSS and Hutchinson, stating: "Once again Jeremy, I still say, we need to meet directly with the Governor. I'm going to see what I can find out but Jeremy you need to contact [AEDC Official A]. This is getting very old." Hutchinson responded to Cranford's foregoing e-mail the same day, stating, "I will call him the first thing in the morning and find out what they expect."

P17. On October 24, 2013, B. GOSS exchanged additional e-mails with AEDC officials regarding economic incentive options offered by Arkansas to relocate Entity E from Ohio to Arkansas.

P18. On October 28, 2013, AEDC Official B e-mailed B. GOSS, requesting that for purposes of due diligence, AEDC officials be permitted to visit Entity E's facility in Ohio. Subsequently, B. GOSS and AEDC Official B exchanged additional e-mails regarding a visit to

Entity E's Ohio facility. B. GOSS forwarded her e-mail exchange with AEDC Official B to T. GOSS the next day, on October 29, 2013. T. GOSS responded: "Fuck them."

P19. On October 29, 2013, T. GOSS forwarded B. GOSS's e-mail exchange with AEDC Official B to Cranford, who stated, "Yep. I got it and I'm on it. If they want to visit they can go to china."

P20. Later that day, October 29, 2013, T. GOSS e-mailed Cranford again, stating, amongst other statements, the following:

All I want from Jeremy is an up or down vote if he can get it. If they want us there, I will guarantee 250 jobs in 5 years, \$10k a job at the \$10.86 OR more THEY PROPOSED. OR they can sign something guaranteeing [Entity E] \$10k a job as we create them and pay as we hire. When we get to 250 we can do a new deal. So if they don't trust [Entity E] and need to see the jobs, then I will turn the tables and trust them, but I want a guarantee.

P21. Cranford forwarded the October 29, 2013, e-mail described in the preceding paragraph above to Hutchinson on the same day, stating: "I was told today! You and I will meet on this tomorrow or they don't see a future in Arkansas after yet another stall attic [sic] of visiting OHIO! This e-mail is not to be forwarded."

P22. On November 4, 2013, B. GOSS e-mailed AEDC officials, including AEDC Officials A and B, and copying, amongst others, Hutchinson and Person #21, discussing a visit of AEDC officials to Entity E's Ohio facility. In the body of the e-mail, B. GOSS stated, amongst other statements: "[Person #21] will be the owner accompanying you to Ohio.[...] As a side note, you may want to visit Springfield Mo as well. There are five employees there currently providing customer service and technical support. If [Entity E] meets the state's needs, and the owners decide to continue on this path, those positions will be relocated as well."

P23. On November 4, 2013, Hutchinson deposited a \$7,500 payment, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

P24. On November 20, 2013, Hutchinson caused an invoice to be issued to Entity E for \$2,000.00, purportedly for “Legal Services Rendered [...] Meetings for two (2) days regarding possible move of manufacturing plant to Springdale, AR.”

P25. On November 20, 2013, Entity E issued check #11404, payable to the Hutchinson Law Firm, for \$2,000.00 and it was deposited into an Arvest Bank account controlled by Hutchinson ending in 2718 on January 21, 2014.

P26. Between November 2013 and February 2014, representatives of Entity E, including B. GOSS, communicated with AEDC officials regarding the possible relocation of Entity E to Arkansas. In November 2013, an AEDC official visited Entity E’s facility in Ohio.

P27. On February 14, 2014, AEDC Official B e-mailed a formal proposal, with economic incentives, to B. GOSS, relating to the possible relocation of Entity E to Arkansas. B. GOSS forwarded the proposal to Hutchinson and Cranford.

P28. On the same day, February 14, 2014, Hutchinson responded to B. GOSS’s e-mail and copied Cranford, stating: “I am shocked and very frustrated. He’s lucky that we’re dealing with bigger issues or his budget may have a special language amendment attached.” Cranford responded to Hutchinson’s e-mail, copying B. GOSS, stating: “When the bill passes then go from there. We know you are working hard on the bill. I have kept Bontiea in the loop every step of the way.” The “bigger issues” and “bill” Hutchinson and Cranford referred to in the foregoing e-mails were the Special Language amendments to HB 1129 as alleged in Paragraph U and elsewhere.

P29. Ultimately, AEDC Official A advised the Governor of Arkansas not to subsidize Entity E’s relocation to Arkansas, and AEDC and Entity E were not able to reach an agreement regarding an economic incentives package.

P30. In May 2014, B. GOSS, T. GOSS, Person #21, and others took steps to relocate Entity E facilities to a warehouse in Springfield, Missouri, including, but not limited to, arranging for the rent of the Springfield warehouse to be paid for with Charity funds as alleged in Section D, above.

Q. Woods, Wilkins, and Hutchinson Steered GIF Funds to the Charity (Act 791)

Q1. On February 15, 2013, Woods sponsored Senate Bill 350, which later became Act 791 of the 2013 Regular Session, and which appropriated up to \$2 million of GIF funds to a division of ADHS. In March 2013, Woods and Hutchinson voted in favor of the bill and Wilkins voted in favor of this bill in the House.

Q2. On October 15, 2013, Woods e-mailed Cranford an updated version of a Request for Application (“RFA”) for ADHS to use in soliciting grant requests for GIF funds appropriated by Act 791, which ADHS had not yet finalized or released publicly. Cranford forwarded this e-mail to T. GOSS stating, “[t]hat’s what I’ve been doing today revising this. We are pushing to get app release by Monday[.]”

Q3. On October 18, 2013, Woods forwarded the RFA for Act 791 GIF funds to Cranford as well as a link to the ADHS website where the RFA was posted. Cranford forwarded Woods’s e-mail to B. GOSS, stating in the e-mail “Bontiea, here is the application for \$1,000,000.00. Please click in the link to access the application.”

Q4. On October 22, 2013, Cranford e-mailed T. GOSS stating, “...I[’]m with [Woods] working on finalizing GIF Grant he will hand deliver today[.]” Later that day, Cranford filed an application for GIF funds, representing that Cranford was the CEO of the Charity, and stating, “We are requesting the funds in the amount of \$1,000,000 in a onetime grant that will be used immediately upon receipt of the Grant Award.”

Q5. In October 2013, in their official capacities as Arkansas State Senators, Woods and Hutchinson submitted, and caused to be submitted, letters supporting the Charity's request to ADHS for a \$1 million GIF grant from Act 791.

Q6. On October 31, 2013, the Charity submitted to ADHS an application requesting a \$1 million GIF grant from Act 791, which included the letters of support from Woods and Hutchinson.

Q7. On December 2, 2013, the Charity GIF grant was approved for the full \$1,000,000 amount requested, and on December 3, 2013, a warrant was issued in the amount of \$1,000,000.

Q8. Cranford forwarded a notice of the award to B. GOSS stating, "We are 100 percent funded in one lump sum." B. GOSS responded with a copy to T. GOSS stating, "[c]an u get it signed?" Cranford replied "[i]t's done darling, Money on way." The form signed by Cranford and submitted to ADHS to release payment was a certification that all documentation presented to obtain the sub-grant is true and the recipient agrees to notify ADHS of any changes in the documentation.

Q9. On December 12, 2013, a warrant for \$1,000,000 from the Auditor of the State of Arkansas was deposited in the Charity's MNB account ending 2587. On that same date, a check for \$187,175 was issued to the Cranford Coalition from the Charity's MNB account ending 2595.

R. Woods and Neal Steered GIF Funds to Ameriworks

R1. Between approximately May 2013 and June 2013, Woods discussed with Neal how a legislator could direct GIF monies and receive kickback payments in return.

R2. In June 2013, Woods advised Neal that Cranford would pay Woods and Neal 20% of any GIF monies that they, as Arkansas legislators, would approve and direct from the NWAEDD to Ameriworks.

R3. On June 26, 2013, Cranford e-mailed T. GOSS and B. GOSS stating: “Please fill this application out for AmeriWorks at our Springdale Office[,] this is for a grant for \$250,000.00. Please put a small note on a cover sheet not in the grant application these funds are coming from Senator Jon Woods and State Representative Micah Neal. This is new funding we just received an hour ago. This is already pre-approved so don't worry about the grading process.” Attached to the e-mail was a NWAEDD document describing how to request a GIF grant. B.GOSS responded, “Since this is NW Arkansas, what address and phone number? Can I make you the contact person? What date? Do I need to include matching funds?”

R4. On June 27, 2013, Cranford, T. GOSS, and other Charity employees received an e-mail from B. GOSS, which attached a draft of a GIF grant proposal for Ameriworks. The draft proposal listed startup costs of \$250,000 and stated “All transactions may be authorized by Rusty Cranford, Board Member.” Cranford replied to the e-mail, “Looks great to me. Can I send to Senator Woods to look at.”

R5. On July 2, 2013, Cranford e-mailed Woods, “See when we can send in our grant app.” Woods replied, “Have it emailed to me and I will print it. I plan to meet with [Director of NWAEDD] about it this week.”

R6. On July 17, 2013, T. GOSS e-mailed Cranford asking, “Hey what is the address we are using for AmeriWorks. I need it for the checking account.” Cranford responded with addresses in Little Rock and Springdale, Arkansas.

R7. On July 25, 2013 Cranford e-mailed T. GOSS and B. GOSS asking, in part, “The only question I have; we list \$400k for our start up cost[,] should we say we are applying for \$400k for our start up cost for this particular grant since we will be applying for more? This grant is from Senator Jon Woods[.]” Attached was the previously drafted and revised application for \$400,000. T. GOSS responded stating “Whatever Bontiea says but I think so.” Cranford then responded, “Me too, DHS doesn’t have the applications ready yet, the funds will not be transferred to the divisions until sometime in August.”

R8. On July 26, 2013, Neal e-mailed the Director of NWAEDD, stating, “I’m partnering with Senator Woods for \$125,000 to go towards Ameriworks. Senator Woods is pitching in \$275,000 for a total of \$400,000. This is an email to authorize the distribution of \$125,000 of my GIF.”

R9. On August 8, 2013, Cranford e-mailed Woods, stating, “Can you send me the application and info we already filled out for Ameriworks[?]” Woods replied, “I can’t do it electronically until the morning. The new application is being emailed to me in the morning. The Ameriworks paperwork is a hard copy you gave me. I[?]ll scan that in the morning as well.” Cranford responded, “Sounds good[.]”

R10. On August 13, 2013, the Director of NWAEDD sent an e-mail to Woods attaching the NWAEDD GIF application and grant agreement. Woods forwarded the Director’s e-mail and its attachments to Cranford who replied, “I will get it done.” Cranford forwarded this e-mail to T. GOSS and then separately again to B. GOSS.

R11. On August 14, 2013, Hayes sent an e-mail to T. GOSS, “Here is FEIN and Articles of Organization.” Attached were documents for AmeriWorks.

R12. The AmeriWorks account was opened on August 15, 2013, with an initial deposit of \$100 in cash. On August 16, 2013, T. GOSS sent an e-mail to Cranford stating in part, “Forgot to tell you I have the Ameriworks checking account set up [and] ready to go.”

R13. On August 25, 2013, Cranford sent an e-mail to T. GOSS with copy to B. GOSS with attachment “NWAEDD GIF Application Package and NWAEDD GIF Grant Agreement” stating, “Hey bubba here is the application you was asking about. It needs to be for \$400,000 for Ameriworks from Senator Jon Woods Springdale Arkansas.” Attached was a blank NWAEDD GIF grant application and grant agreement. T. GOSS responded, “Bontiea is going to work on it ASAP.”

R14. On September 3, 2013, B. GOSS e-mailed Cranford, “I redid the narrative for this a bit. Please review and see if it is what you want.” Attached was a cover page with the Ameriworks logo and an address in Springdale, Arkansas. The next two pages were titled “Project Narrative.” A total start up cost of \$7,080,000 was listed along with a request for \$400,000 in GIF and a statement that “All transactions may be authorized by Rusty Cranford, Board Member. Mr[.] Cranford can be reached at the address and phone number listed on the title page.”

R15. On September 10, 2013, T. GOSS e-mailed Cranford stating, “Just catching up on GIF, have all the applications went out for AO, DP, Alex, and AmeriWorks? The first ones we sent out, when do you think the \$\$ will arrive?” Cranford responded, “We have only completed one \$400k AmeriWorks they meet the 18th. I’m on way Lr to fill out more tomorrow with the Senator.” T. GOSS responded, “ok, keep me in the loop on getting everything billed and collected.”

R16. Between approximately September 11, 2013, and September 17, 2013, Woods and the Director of NWAEDD exchanged e-mails to confirm which grantees Woods

wanted his GIF money to be sent and in what amounts. The e-mails contained Woods's approval for a \$275,000 grant for "Ameriworks (A.K.A. [Decision Point])."

R17. On September 18, 2013, the NWAEDD's Board of Directors approved all GIF grant applications proposed by the Director of NWAEDD, including the \$275,000 GIF grant sponsored by Woods and the \$125,000 GIF grant sponsored by Neal for Decision Point doing business as Ameriworks. Although Ameriworks had applied for the grant, it had not submitted to the NWAEDD any documentation demonstrating it was an incorporated 501(c)(3) non-profit corporation as required by NWAEDD. Since the NWAEDD had such documentation for Decision Point, the Director of NWAEDD issued the GIF grant to Decision Point doing business as Ameriworks.

R18. On September 19, 2013, the Director of NWAEDD e-mailed Woods, notifying him that the GIF grants he supported were approved by the NWAEDD Board of Directors.

R19. Also on September 19, 2013, Woods forwarded the Director's e-mail to Cranford. In the e-mail, Woods wrote, "Wanted you to see the good news." Cranford replied, "You did great bubba[.]"

R20. On September 26, 2013, Cranford signed the GIF grant agreement on behalf of Decision Point doing business as Ameriworks.

R21. On September 27, 2013, the NWAEDD issued two GIF grant checks, drawn on the NWAEDD's Arvest Bank account ending 8611, for \$275,000 and \$125,000, made out to "Decision Point, Inc. d/b/a Ameriworks."

R22. On September 30, 2013, T. GOSS e-mailed Hayes, "[Redacted] cannot find the filing. I need this asap. [Redacted] checked every type of corp, under Rusty's name etc.

AmeriWork has \$800k on hold and at risk. Print me everything you have and scan to me and I will scan the Secretary of State's office. HELP[.]”

R23. On September 30, 2013, T. GOSS e-mailed Cranford, “Rusty, AmeriWorks was filed originally on June 20, 2013 but was kicked out due to my name on the agent. Had to do with PRSC not paying tax to Sec. of State on old WD Mgmt. David got them to refile with my name off. Here is the email. Transaction number is circled. The number is 20130927125731243. David is on the phone right now with them. Forward to [Redacted].”

R24. On September 30, 2013, T.GOSS e-mailed Cranford, “[Redacted]’s office just sent over that AmeriWorks is a Corporation in Good Standing. Here is fax. Let me know if we need anything further on this issue.” Cranford forwarded the e-mail to Woods. Attached was a fax from Arkansas Secretary of State to David Hayes showing Ameriworks was incorporated on September 27, 2013.

R25. On September 30, 2013, the checks from the NWAEDD to Decision Point, doing business as Ameriworks, were deposited into Ameriwork’s U.S. Bank account ending 9717.

R26. On September 30, 2013, WDAH check #2645, in the amount of \$60,000, signed by T.GOSS, was issued to the Cranford Coalition. The check was deposited into the Cranford Coalition account on October 4, 2013. On October 3, 2013, Ameriworks check #1001, in the amount of \$60,000, was issued by T. GOSS to WDAH, with the memo notation, “due to for C. Coalition.”

R27. On October 1, 2013, the \$275,000 and the \$125,000 GIF checks from the NWAEDD to Decision Point, doing business as Ameriworks, were settled between U.S. Bank and Arvest Bank via an interstate wire communication.

R28. On October 15, 2013, Ameriworks check #1002, in the amount of \$16,500, was issued to the Cranford Coalition and deposited on October 16, 2013. On October 15, 2013, Cranford Coalition check #2261, in the amount of \$8,250 was issued to T. GOSS.

R29. On October 24, 2013, Ameriworks check #1003, in the amount of \$320,000, was issued to Decision Point.

R30. In August 2014, shortly after Cranford was contacted and interviewed by federal law enforcement officials regarding his dealings with Woods and other matters, Cranford and T. GOSS directed that the \$400,000 Ameriworks received in GIF funds be returned to the NWAEDD, in an effort to conceal the bribery scheme involving GIF funds. On August 13, 2014, Cranford sent a letter to the NWAEDD notifying the NWAEDD that the Charity, doing business as Ameriworks, was returning the \$400,000 GIF grant it had been awarded. Included with the letter was a check from the Charity made out to the NWAEDD in the amount of \$400,000. On August 14, 2014, the \$400,000 check was deposited into the NWAEDD's Arvest Bank account ending 8611.

S. Wilkins and Others Steered GIF Funds to the Charity (Act 818)

S1. On February 26, 2013, Senate Bill 507 ("SB 507") was introduced in the Arkansas Senate entitled "an Act to make an appropriation to the Department of Human Services—Division of Behavioral Health for Behavioral Health Services; and For Other Purposes," by Arkansas Senator E.

S2. On March 25, 2013, SB 507 passed the Arkansas Senate with Hutchinson and Woods voting in favor. On April 2, 2013, SB 507 passed the Arkansas House of Representatives with Wilkins voting in favor.

S3. On April 6, 2013, SB 507 was enacted as Act 818. Act 818 appropriated up to \$1,000,000 from the General Improvement Fund to a sub-division of ADHS.

S4. On April 22, 2013, Wilkins voted in favor of House Bill 2232 which provided funding for the GIF appropriation legislation that had been approved previously, including \$365,000 in funding for SB 507/Act 818.

S5. On April 23, 2013, Wilkins voted in favor of Senate Bill 364 which provided funding for the GIF appropriation legislation that had been approved previously, including \$365,000 in funding for SB 507/Act 818.

S6. On October 18, 2013, Cranford sent an e-mail to T. GOSS and B. GOSS, stating: “Act 818 is from [Arkansas Senator E] (Senator Wilkins [sic] money but [Arkansas Senator E]’s bill). It is for AO Dayspring for \$150,000 [Arkansas Senator E] is from Monticello and all Southeast Arkansas.”

S7. On October 31, 2013, Wilkins sent a letter of support on behalf of the Charity to receive Act 818 GIF funds.

S8. On November 1, 2013, Cranford, on behalf of the Charity, applied for \$200,000 in GIF funds available under Act 818.

S9. On December 5, 2013, ADHS, through a subdivision, made disbursements from the funds appropriated by Act 818 to selected grant applications. From those funds, the Charity was granted \$122,564.93.

IV. In Exchange for Bribes, Hutchinson and Wilkins Took Legislative and Official Action to Impede the ADHS Initiatives

T. Hutchinson and Wilkins Advanced HB 2209 on Behalf of the Charity

T1. Between 2013 and 2015, B. GOSS, T. GOSS, Cranford, and others, and in exchange for the things of value described more fully in Subsections L through P above, requested

and directed Hutchinson, Wilkins and others to take legislative and official action to impede ADHS's ability to implement the ADHS Initiatives.

T2. On March 11, 2013, at Cranford's request, Wilkins filed House Bill 2209 ("HB 2209"). HB 2209 was a shell bill, which are bills with minimal content filed to meet legislative deadlines and which may be subsequently amended to provide the actual substance of the bill. On March 28, 2013, Wilkins sponsored an amendment to HB 2209 which replaced the language of the shell bill with language that would have affected, in a manner that was favorable to the behavioral health providers, the quality control and accountability program for behavioral health providers which ADHS had implemented and planned to implement with the help of Company G including a plan to publicize a scorecard grading system for behavioral health providers.

T3. On April 4, 2013, Cranford sent an e-mail in which he attached a copy of HB 2209 and stated to B. GOSS and Nolan:

We will pass this on the House Floor this afternoon or tonight. After we pass this medicaid [sic] has ask[ed] for a meeting with Senator Wilkins and Hutchinson and all of us for a tradeoff not to run the bill in the Senate. The trade off will be; something else other than YOQ, enhanced reconsideration until any regs are propagated then we will have the full appeal process. This means they will quit giving us bs reviews that are unfounded. Also, The color code to grade us will be gone forever, they will halt the episodes of care until they can produce data of how many kids are no long[er] getting services due to the episodes. They must have approval on all ergs [sic] thru public health.

T4. On April 4, 2013, HB 2209 passed the Arkansas House of Representatives with Wilkins voting in favor.

T5. During the same legislative session, Hutchinson, Wilkins, and Cranford attended a meeting with Company G to influence and pressure Company G regarding the manner in which Company G was administering the quality control and accountability program on behalf

of ADHS. Subsequent to this meeting, and consistent with Cranford's April 4, 2013, e-mail, an agreement was reached with ADHS that was favorable to Cranford, the Charity, and other Cranford Clients regarding the administration of the quality control and accountability program. HB 2209 died in the Arkansas Senate Committee on Public Health, Welfare and Labor.

U. Hutchinson and Wilkins, at the Request and Direction of B. GOSS, Cranford, and Others, Took Legislative and Official Action to Advance HB 1129 and HB 1072.

U1. On April 10, 2013, Cranford e-mailed B. GOSS, Cooper, and others, informing them that Cooper and Cranford had met with Hutchinson to discuss the Episodes of Care and YOQ. In the e-mail, Cranford stated, "After the session we must have the Joint Rules and Regs Committee to give permission to DHS to quit using the YOQ!"

U2. B. GOSS responds to the April 10, 2013, e-mail the same day and writes, amongst other statements: "Great work Rusty."

U3. Cranford responded minutes later by e-mail:

Thanks Boss [referring to B. GOSS], Coop[er] and I have been on a mission with our Favorite (2) Legislators. They jumped on the mission, we told them, 'help' or yawl [sic] listen to [Person #12] everyday raise cain about this every single day. We thought about [Person #14] delivering the Sermon at Senator Wilkins' [c]hurch on Sunday!

U4. In turn, B. GOSS replied to Cranford's subsequent e-mail minutes later: "Hey, do whatever it takes."

U5. Cooper responded to B. GOSS's "Hey, do whatever it takes." e-mail a few minutes later stating: "I'll be sitting in the front row of St. Michael's" in reference to Wilkins' church. Later in the evening on April 10, 2013, Cranford replied to Cooper's message, which included B. GOSS, "I[m] passing the hat for collections."

U6. On May 30, 2013, Cranford e-mailed B. GOSS that an ADHS official submitted a Medicaid proposal that would negatively impact the Charity. In response to the proposal, Cranford informed B. GOSS that “we have Jeremy issuing a freeze in every committee of any medicaid proposal.” B. GOSS responded on the same day: “Jeremy rocks.” Cranford later forwarded B. GOSS’s response to Hutchinson.

U7. On June 10, 2013, Hutchinson received a \$7,500 payments to his BOA account ending 8003 from the Charity through Dayspring.

U8. On June 26, 2013, Cranford e-mailed Hutchinson bullet points that consisted of points Cranford expected and understood Hutchinson to make against the Episodes of Care initiative during legislative sessions or to other Arkansas legislators to advance the Charity’s agenda of impeding the Episodes of Care initiative.

U9. Between June 10, 2013, and January 7, 2014, Hutchinson deposited seven (7) additional \$7,500 payments to his BOA account ending 8003 and his Arvest account ending 7632 from the Charity through Dayspring.

U10. On January 12, 2014, Cranford e-mailed Hutchinson stating, “Concerns from AO.” Cranford’s e-mail forwarded to Hutchinson an e-mail from a Charity Clinical Director with subject “Health Homes” which listed issues with Health Homes.

U11. On January 13, 2014, Cranford e-mailed Hutchinson, attaching an ADHS-issued “Preliminary Draft of Health Care Payment Improvement Initiative” with handwritten comments on the ADHS document, comments from Nolan and Noble regarding the ADHS document, and e-mail from Charity district directors critical of the Health Homes initiative.

U12. On January 13, 2014, Cranford e-mailed Hutchinson with subject “Call” stating, “Would appreciate an appointment with you in reference to the concerns AO has[.] We

will need this immediately. Words I received today wasn't pleasant to say the least.” Cranford was referring to discussions he had with B. GOSS. Hutchinson responded, suggesting a meeting the next day and stated: “I’ve been talking to [Arkansas Senator C]. I’ll call soon. Cranford responded, “I’m sorry but that doesn't tell me nothing to tell the boss.”

U13. On January 17, 2014, Cranford e-mailed Hutchinson, with an attachment, stating, “Here is the bill.” Section one of the attached bill, which was entitled in part “Regulatory Moratorium” had the effect of prohibiting ADHS from, among other things, implementing the Episodes of Care and Health Homes initiatives. Section two which was entitled in part “Outcomes Measures Testing Moratorium” would have suspended YOQ.

U14. On February 10, 2014, Cranford e-mailed Hutchinson with the subject: “Update For The Day” and stated: “Don’t forget we need this each day [please].”

U15. On February 10, 2014, Cranford e-mailed and directed Hutchinson to “look at the DHS and Medicaid State Plan and make sure Health Homes, Episodes are pulled out and a RSPMI is kept in. Remember DHS has authority to move money within their [own] budget.”

U16. On February 12, 2014, at 10:21 am, Cranford e-mailed and directed Hutchinson to “add December 31, 2015 not 2014” and to “use this version of the bill for mental health it covers us for everything.” Attached to the e-mail was the legislation that Cranford had e-mailed Hutchinson on January 17, 2014, with some edits. At 11:07 am, Hutchinson forwarded Cranford’s e-mail to an employee of the Arkansas Senate who then forwarded the e-mails to an employee with the Arkansas Bureau of Legislative Research (BLR), an agency of the Arkansas General Assembly that, among other things, drafts legislation for Arkansas legislators.

U17. On February 12, 2014, Cranford e-mailed the Clinical Director for the Charity stating, “We are running bill to get rid of episodes health homes single point entry for assessment school base mental health.”

U18. On February 12, 2014, Cranford e-mailed Hutchinson and Wilkins talking points to be used to advance HB 1129.

U19. On February 13, 2014, Hutchinson deposited a \$7,500 payment to his Arvest account ending 7632 from the Charity through Dayspring.

U20. On February 14, 2014, Hutchinson forwarded to Cranford an e-mail from a BLR employee to another BLR employee with copy to Hutchinson in which the BLR employee stated, “Enclosed please find draft language that Senator Hutchinson would like to have prepared as an amendment to the...Department of Human Services appropriation bill. Please let me know if you need more information.” Attached was the legislation sent by Cranford to Hutchinson on January 17, 2014, which had been converted to an amendment, had made some changes that did not affect the substance of the bill, and which added Hutchinson as a sponsor. Later that day, Hutchinson forwarded e-mails between Cranford and BLR employees discussing further possible amendments to the legislation.

U21. In February 2014, as Cranford was directing Hutchinson to make the Special Language amendments to HB 1129, Cranford communicated with B. GOSS and updated her on Hutchinson’s progress. On February 14, 2014, Cranford e-mailed Hutchinson and copied B. GOSS on the e-mail, stating in part, “We know you are working hard on the bill. I have kept Bontica in the loop every step of the way.”

U22. On February 18, 2014, Hutchinson e-mailed a BLR employee directing that BLR refer his amendment to HB 1129 to Special Language Subcommittee of the Joint Budget

Committee for consideration and the amendment was subsequently placed on the Agenda of the Special Language Subcommittee for consideration.

U23. On February 19, 2014, as a result of objections by ADHS to the Hutchinson sponsored amendment to HB 1129, a revised amendment was put forward by the Chairman of the Special Language Subcommittee, Arkansas Senator F, which modified the Hutchinson-sponsored amendment in a way that was more favorable to ADHS but which retained a moratorium on the ADHS implementing new behavioral episodes of care and a moratorium on Health Homes as first proposed by the Hutchinson amendment to HB 1129 and which were desired by the Charity. The revised Hutchinson amendment sponsored by Arkansas Senator F was approved by the Special Language Subcommittee on February 20, 2014.

U24. On February 19, 2014, Cranford e-mailed Hutchinson and stated in part, “I have been instructed to meet with you tomorrow morning in private at our office...to inform you of our concerns and how we would like to move forward in reference to providing services...in the State of Arkansas. If you can’t make that meeting we will make other arrangements to proceed with our organization. Thanks.”

U25. On February 25, 2014, the Joint Budget Committee, of which Hutchinson and Wilkins were members, voted to approve the revised Hutchinson amendment to HB 1129 sponsored by Arkansas Senator F that contained provisions relating to Episodes of Care, Health Homes, and YOQ that were desired by the Charity and which resulted from the amendment to HB 1129 that Hutchinson introduced on behalf of the Charity at the direction of Cranford.

U26. On February 25, 2014, a Charity Clinical Director e-mailed the regional directors for the Charity stating, “The special language in the legislature has been changed

somewhat it appears that although behavioral health homes and additional episodes are ‘on hold,’ the ODD episode will begin [sic] please review and retrain staff on this.”

U27. On February 25, 2014, an ADHS official e-mailed interested parties that due to the amendments made to HB 1129 in the Joint Budget Committee, ADHS made changes to the ADHS Initiatives timeline, including that no substantial changes would be made to the Health Homes initiative and no contracts would be executed for a vendor to serve as the behavioral health assessment agency, a result consisted with the desires of B. GOSS, Cranford, and others when they requested Hutchinson to sponsor the original amendment to HB 1129.

U28. On February 25, 2014, Cranford e-mailed B. GOSS, T. GOSS, Nolan, Noble, and others the February 25, 2014, e-mail from the ADHS official stating: “Here [is] what [they] sent today. We passed the amendment [through] Joint Budget today.”

U29. On March 7, 2014, the Arkansas House of Representatives voted to approve HB 1129, which included the revised Hutchinson amendment sponsored by Arkansas Senator F with Wilkins voting in favor.

U30. On March 11, 2014, the Arkansas Senate voted to approve HB 1129, which included the revised Hutchinson amendment sponsored by Arkansas Senator F, with Hutchinson and Woods voting in favor. On March 13, 2014, HB 1129 became Act 282 of the 2014 Fiscal Session of the 89th Arkansas General Assembly.

U31. On March 11, 2014, Cranford e-mailed B. GOSS, T. GOSS, and five Arkansas regional directors for the Charity stating:

House Bill 1129 has passed the Arkansas Senate with the Amendment! Now we can breathe and live to fight another day! It’s over!
Thank you Senator Jeremy Hutchinson and all! It[’]s a great day!

U32. During the following Arkansas General Assembly, HB 1072, entitled, “An Act to Repeal Outcomes Measures Testing Within the Division of Behavioral Health Services of the Department of Human Services; and for Other Purposes,” was introduced into the Arkansas legislature. HB 1072 effectively abolished the use of YOQ by ADHS. On February 18, 2015, Hutchinson voted to approve HB 1072, which later became Act 161 of the 2015 Regular Session of the 90th General Assembly.

V. **In Exchange for Bribes, Hutchinson Took Additional Legislative and Official Action Favorable to the Charity, B. GOSS, T. GOSS, and Cranford**

V. **Hutchinson Advanced SB 932 and HB 1540 to the Benefit of the Charity**

V1. On March 4, 2015, Raveendran sent an e-mail from his Alliance e-mail account to Hutchinson and Cranford stating:

Hi Jeremy

We need to file a shell bill to take care of this issue, it may be possible we should be able to work this out with Workforce, however, ju[s]t to protect us we want to a shell bill.

Let me know if you need additional information.

Thanks

V2. The body of the e-mail contained a summary analysis of the issues surrounding the legal definition of an “independent contractor” and “employee” in Arkansas. It also suggested a specific revision to Arkansas Code Annotated § 11-10-210(e) to remedy the issues favorable to healthcare providers.

V3. On March 7, 2015, Hutchinson filed Senate Bill 932 (“SB 932”) in the 90th General Assembly Regular Session in 2015. The bill was a shell bill entitled “An Act to Amend the Law Concerning the Definition of ‘Independent Contractor’; and for Other Purposes.”

V4. On March 9, 2015, Hutchinson deposited a \$9,000 payment, from the Charity through Dayspring, less cash of \$200, to an Arvest account controlled by Hutchinson ending 7635.

V5. House Bill 1540 (“HB 1540”), filed later in March 2015, contained statutory language advantageous to the providers, like the Charity and other members of Alliance, similar to that proposed by Raveendran in his March 4, 2015, e-mail to Hutchinson. On March 26, 2015, Hutchinson voted in favor of HB 1540.

V6. On March 30, 2015, Hutchinson deposited a \$9,000 payment, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

V7. On or about April 16, 2015, check #055272, drawn on the Charity’s MNB account ending 8747, in the amount of \$25,000, was issued to “ALLIANCE FOR HEALTH IMPROVEM[E]NT.” On or about April 17, 2015, Raveendran deposited this check into the Alliance account. On or about the same day, Raveendran issued check #1014, dated April 18, 2015, in the amount of \$8,125, drawn on the Alliance account, to HUTCHINSON. On or about the same day, HUTCHINSON deposited the check to his Arvest Bank account ending 7635.

W. Hutchinson Included Legislative Language in SB 472 to the Benefit of the Charity

W1. On September 2, 2014 and October 3, 2014, Hutchinson deposited two separate \$9,000 payments, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

W2. Beginning in October 2014, Hutchinson discussed with Cranford sources of funding for legislation to reform the criminal justice system in Arkansas, and on October 14, 2014 he sent the following text messages to Cranford:

I found 20 million per year today in budget hearings that no one knows about. Yall can't get all of that but hopefully some of it.

* * *

[...]but we got to keep it quiet for now or everyone will be wanting that money.

W3. On November 3, 2014, Hutchinson deposited a \$9,000 payment, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

W4. In November 2014, Hutchinson and Cranford discussed potential and valuable contracts for which the Charity could become eligible if the criminal justice system in Arkansas was reformed as contemplated, and on November 18, 2014, they had the following text message exchange:

Cranford: We're [sic] r u
Hello

Hutchinson: San Diego. I've got an idea for you
[...]

Cranford: What's your idea for me

Hutchinson: I've helped you so much today. You will love me.
Prison contract
Actually parole contract

Cranford: No kidding
[...]

Hutchinson: You need what?

Cranford: I need it bad

Cranford: Prison contract

Hutchinson: Yall are the best in the state so I'm sure you'll get
the contract[.]

W5. On December 3, 2014, January 2, 2015, and February 2, 2015, Hutchinson deposited three separate \$9,000 payments, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

W6. At least as early as February 2015, T. GOSS discussed funding sources for the contemplated criminal justice reform effort in Arkansas with Cranford and others, including the following February 12, 2015, text message exchange with Cranford:

T. GOSS: Rusty, I got this. If I am correct prison inmates are on \$1 state dollar. Secret sauce brother is going to school and vocational rather than prison is state only pays 10-20% of the dollar. 10% on Medicaid expansion and 20% on vocational. AO knows vocational better than anyone. I haven't figured it but I know the answer. Jackpot on these 600 beds.

Cranford: Excellent. You are brilliant brother. I told them on the hill you could figure it out.

W7. On February 13, 2015, at 2:52 p.m., T. GOSS e-mailed Cranford and Raveendran stating,

Robin can correct me but corrections is \$1 state for \$1 service. With Medicaid Reform this will be a 10 cent state dollar and a 90 cent Federal. It needs written that way so it goes in and accesses those dollars [...] The contractor for this [Request For Proposal] needs school experience, therapy, and vast vocational successful experience or collaborate where they are short with other providers. [The Charity] can show outcomes from people that have been in the state system for decades and are now employed and out of the state system [...] The bill need to be written so the winner can provide or can collaborate with someone that does vocational. Talk to the right people but I think you understand what I am saying [...] Really need vocational in the bill. I know one provider in Arkansas that is really good at all the components if they get in the bill [...]"

W8. The February 13, 2015, e-mail from T. GOSS detailed in the preceding paragraph was forwarded by Cranford to Hutchinson on the same day. Hutchinson responded, "I need guidance on the language he wants." Cranford replied, "[T. GOSS] is showing you how far you could actually carry your bill and how many people this could help from treatment to workforce to vocational. He is just offering advise [sic]." Hutchinson replied, "I know. I want to do it but I need to know the language needed to do it." Cranford forwarded this e-mail string to T. GOSS and stated, "Jeremy doesn't understand. Read below."

W9. Later that day, T. GOSS e-mailed Hutchinson, “Jeremy can Bontiea and I call you Monday and we can go over vocational with you. AO serves 10’s of thousands annually and it is the absolute key on positive outcomes and it is only a 20 cent dollar [...] This one thing doesn’t cost the state a dime and will be the secret sauce on service success rates.” T. GOSS, B. GOSS, and Hutchinson agreed by e-mail to have a phone call together on February 16, 2015 at 8:00 a.m.

W10. On February 15, 2015, Hutchinson received an e-mail from a BLR employee containing an attachment described as “[...] the most current version of the crim justice reform act as of 1:24 p.m. on Sunday.” Hutchinson forwarded that draft bill to B. GOSS on February 16, 2015. Included in the attachment was language on page 14, lines 12 through 14, regarding a “Pay-for-success program” that read as follows:

(a) The Department of Community Correction may enter into an agreement with an entity, including without limitation a two-year or four-year public university to create a pay-for-success program for incarcerated individuals [...]

W11. On February 16, 2015, B. GOSS replied to Hutchinson’s forward of the BLR e-mail:

Suggestions on simple language may be:

Pg 14 line 13

line...including without limitation an accredited community based provider specializing in behavioral health, case management and job placement services,

Hutchinson responded to B. GOSS’s e-mail on the same day stating, “Perfect[.]”

W12. On February 19, 2015, Hutchinson sponsored and filed Senate Bill 472 entitled, “An act to be known as the Criminal Justice Reform Act of 2015; to implement measures designed to enhance public safety and reduce the prison population; and for other purposes.” Included in this filed version was the language requested by B. GOSS on February 16, 2015.

W13. The language proposed by B. GOSS on February 16, 2015, and included by Hutchinson in Senate Bill 472 was later revised in subsequent amendments to the legislation on February 26, 2015. The language regarding a community-based provider specializing “in behavioral health, case management and job placement services” remained in the final bill. This language was advantageous to the Charity, because it provided an advantage to the Charity when competing for valuable contracts with the State of Arkansas.

W14. On March 9, 2015, Hutchinson deposited a \$9,000 payment, from the Charity through Dayspring, less cash of \$200, to an Arvest account controlled by Hutchinson ending 7635.

W15. On March 26, 2015, Hutchinson voted in favor of SB 472, which still contained language requested by B. GOSS, and the bill passed the Arkansas Senate and was delivered to the Governor. On April 2, 2015, SB 472 became Act 895 of the 90th General Assembly.

W16. On March 30, 2015, Hutchinson deposited a \$9,000 payment, from the Charity through Dayspring, to an Arvest account controlled by Hutchinson ending 7635.

VI. T. GOSS, B. GOSS, and Others Caused the Charity to File False Returns

X. To Conceal their Acts, T. GOSS, B. GOSS, Nolan, and Others Caused the Charity to File False and Misleading IRS Forms 990

X1. For the tax years 2010 through 2016, each tax year beginning July 1 of the indicated year, and ending on June 30 of the following year, the Charity filed false IRS Forms 990 as set forth below:

Entity	Tax Year	Form 990 Filed Date	Officer’s signature
AO	2010	05/15/2012	T. GOSS
AO	2011	05/15/2013	T. GOSS
AO	2012	05/15/2014	T. GOSS
AO	2013	05/13/2015	T. GOSS

Entity	Tax Year	Form 990 Filed Date	Officer's signature
AO	2014	03/15/2016	T. GOSS
PFH	2014	05/16/2016	T. GOSS
PFH	2015	05/15/2017	T. GOSS

X2. On each Form 990 listed above, T. GOSS, B. GOSS, Nolan, and others caused the Charity to falsely respond “No,” to Part IV (Checklist of Required Schedules), Question 3 (“Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office?”); whereas, as T. GOSS and B. GOSS then and there well knew and believed, the organization had engaged in indirect political campaign activities on behalf of multiple political candidates, including the making of donations through third parties, and hosting and paying for candidates’ fund-raising events.

X3. On each Form 990 listed above, T. GOSS, B. GOSS caused the Charity to falsely respond “No,” in answer to Part IV (Checklist of Required Schedules), Question 25a (“Did the organization engage in an excess benefit transaction with a disqualified person during the year?”), and provided no information in Schedule L, Part 1, Sub-parts (a) (“Name of disqualified person”), (b) (“Relationship between disqualified person and organization”), and (c) (“Description of transaction”); whereas, as T. GOSS and B. GOSS then and there well knew and believed, the organization had engaged in multiple excess benefit transactions with disqualified persons.

X4. On each Form 990 listed above, T. GOSS, B. GOSS, and others caused the Charity to falsely respond “No,” in answer to Part IV (Checklist of Required Schedules), Question 25b (“Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization’s prior Forms 990 or 990-EZ?”), and provided no information in Schedule L, Part 1, Sub-parts (a) (“Name of disqualified person”), (b) (“Relationship between disqualified person and organization”), and (c) (“Description of transaction”); whereas, as T. GOSS and B. GOSS then

and there well knew and believed, the organization had engaged in multiple excess benefit transactions with disqualified persons in prior years that had not been reported.

X5. In Part IX (Statement of Functional Expenses) of each IRS Form 990 listed above, T. GOSS, B. GOSS, Nolan, and others caused the Charity to falsely report that it had expenses related to lobbying and political activity in the amounts set forth below, when in truth and in fact, as T. GOSS and B. GOSS then knew, the Charity’s expenses for lobbying and political activity were greater than what the Charity reported.

Tax Year	Lobbying	Grants to other organizations for lobbying purposes	Direct contact with legislators, their staff, government officials, or a legislative body	Payment of travel or entertainment expenses for any federal, state, or local public officials
2010	\$0	\$0	\$54,000	\$0
2011	\$0	\$0	\$78,248	\$0
2012	\$0	\$0	\$185,010	\$0
2013	\$0	\$843,700	\$48,000	\$0
2014 (AO)	\$109,254	\$0	\$109,254	\$0
2014 (PFH)	\$134,600	\$0	\$0	\$0
2015	\$451,646	\$0	\$0	\$0

X6. For tax years 2013 and 2014, T. GOSS filed and caused the filing of false IRS Forms 990 on behalf of the Charity, which contained material false statements and omissions, as alleged in Counts 33 and 34, below.

All in violation of 18 U.S.C. § 371.

COUNT 2
18 U.S.C. §§ 666(a)(1)(A) and 2
(Theft from Organization Receiving Federal Funds)

79. The factual allegations of Paragraphs 1 through 78 are re-alleged and incorporated as though fully set forth.

80. Between July 1, 2013, and June 30, 2014, in the Western District of Missouri and elsewhere, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, being

agents of the Charity, said organization receiving in the one year period beginning July 1, 2013, benefits in excess of \$10,000 under Federal programs, including Medicaid, and grants from the Departments of Health and Human Services, Housing and Urban Development, Labor, and Veterans' Affairs, aided and abetted by one another, and by others known and unknown to the Grand Jury, embezzled, stole, obtained by fraud, without authority knowingly converted to the use of any person other than the rightful owner, and intentionally misapplied property worth \$5,000 or more and owned by, under the care of, under the custody of, and under the control of such organization, that is:

- a. Charity funds used to provide loans to their for-profit companies, WDAH, WDP, and NWAPMG.
- b. Charity funds paid to WDAH as leased vehicle payments in excess of WDAH's cost for the vehicle leases.
- c. Charity funds paid to WDAH as rent on "the Lake House" and "the Mountain House."
- d. Charity funds used to pay for benefits to B. GOSS and T. GOSS that were not reported as compensation, including personal services provided by Employee L and Employee M, and charter air flights for commuting, family, and pet travel.
- e. Charity funds used to indirectly support the campaigns of candidates for public office, including funds spent to host fundraising events for candidates, and reimbursement to the Cranford Coalition, Cranford, and other persons for campaign contributions to candidates for public offices.
- f. Charity funds that Cranford paid to T. GOSS as kickbacks;
- g. Charity funds paid to Hutchinson purportedly for legal services;

h. Charity funds paid to Wilkins through the SJUMC;

All in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNT 3
18 U.S.C. §§ 666(a)(1)(A) and 2
(Theft from Organization Receiving Federal Funds)

81. The factual allegations of Paragraphs 1 through 80 are re-alleged and incorporated as though fully set forth.

82. Between July 1, 2014, and June 30, 2015, in the Western District of Missouri and elsewhere, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, being agents of the Charity, said organization receiving in the one year period beginning July 1, 2014, benefits in excess of \$10,000 under Federal programs including Medicaid, and grants from the Departments of Health and Human Services, Justice, and Labor, aided and abetted by one another, and by others known and unknown to the Grand Jury, embezzled, stole, obtained by fraud, without authority knowingly converted to the use of any person other than the rightful owner, and intentionally misapplied property worth \$5,000 or more and owned by, under the care of, under the custody of, and under the control of such organization, that is:

a. Charity funds used to provide loans to their for-profit companies, WDAH, WDP, and NWAPMG.

b. Charity funds paid to the WDAH, as leased vehicle payments in excess of WDAH's cost for the vehicle leases.

c. Charity funds used to pay WDAH for the rental, refinancing and purchase of "the Lake House" and "the Mountain House."

d. Charity funds used to pay for benefits to B. GOSS and T. GOSS that were not reported as compensation, including personal services provided by Employee L and Employee M, and charter air flights for commuting, family, and pet travel.

e. Charity funds used to indirectly support the campaigns of candidates for public office, including funds spent to host fundraising events for candidates, and reimbursement to the Cranford Coalition, Cranford, and other persons for campaign contributions to candidates for public offices;

f. Charity funds paid to Hutchinson purportedly for legal services;

All in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNT 4
18 U.S.C. §§ 666(a)(1)(A) and 2
(Theft from Organization Receiving Federal Funds)

83. The factual allegations of Paragraphs 1 through 82 are re-alleged and incorporated as though fully set forth.

84. Between July 1, 2015, and June 30, 2016, in the Western District of Missouri and elsewhere, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, being agents of the Charity, said organization receiving in the one year period beginning July 1, 2015, benefits in excess of \$10,000 under Federal programs including Medicaid, and grants from the Departments of Health and Human Services, Housing and Urban Development, Agriculture, Labor, Justice, and Veterans' Affairs, aided and abetted by one another, and by others known and unknown to the Grand Jury, embezzled, stole, obtained by fraud, without authority knowingly converted to the use of any person other than the rightful owner, and intentionally misapplied property worth \$5,000 or more and owned by, under the care of, under the custody of, and under the control of such organization, that is:

a. Charity funds used to pay for benefits to B. GOSS and T. GOSS that were not reported as compensation, including personal services provided by Employee L and Employee M, and charter air flights for commuting, family, and pet travel.

b. Charity funds used to indirectly support the campaigns of candidates for public office, including funds spent to host fundraising events for candidates, and reimbursement to the Cranford Coalition, Cranford, and other persons for campaign contributions to candidates for public offices;

c. Charity funds paid to Hutchinson purportedly for legal services;

All in violation of Title 18, United States Code, Sections 666(a)(1)(A) and 2.

COUNT 5
18 U.S.C. §§ 666(a)(2) and 2
(Payment of Bribes Concerning Programs Receiving Federal Funds)

85. The factual allegations of Paragraphs 1 through 84 are re-alleged and incorporated as though fully set forth.

86. On December 13, 2013, in Greene County, in the Western District of Missouri, and elsewhere, defendant **TOMMY RAY GOSS**, aided and abetted by Cranford, knowingly and corruptly gave, offered, and agreed to give something of value to another person, that is, the Charity's payment by check, in the amount of \$30,000, to the St. James United Methodist Church, in Pine Bluff, Arkansas, intending to influence and reward Henry Wilkins IV, a Representative in the Arkansas House of Representatives, in connection with a business, transaction, and series of transactions of the state of Arkansas that involved \$5,000 or more, and as opportunities arose, that is, legislative action benefitting the Charity, including, but not limited to, legislation advanced by Wilkins to impede the ADHS Initiatives and directing GIF monies to the Charity; in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNT 6
18 U.S.C. §§ 666(a)(2) and 2
(Payment of Bribes Concerning Programs Receiving Federal Funds)

87. The factual allegations of Paragraphs 1 through 86 are re-alleged and incorporated as though fully set forth.

88. From in or about October 2013 through in or about June 2014, in Greene County, in the Western District of Missouri, and elsewhere, defendants **TOMMY RAY GOSS** and **BONTIEA BERNEDETTE GOSS**, aided and abetted by one another and by Cranford, knowingly and corruptly gave, offered, and agreed to give something of value to another person, that is, the Charity's hiring of Person #14, intending to influence and reward Woods, a Senator in the Arkansas State Senate, in connection with a business, transaction, and series of transactions of the state of Arkansas that involved \$5,000 or more, that is, legislative action benefitting the Charity, including, but not limited to, directing GIF monies to the Charity; in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNT 7
18 U.S.C. §§ 666(a)(2) and 2
(Payment of Bribes Concerning Programs Receiving Federal Funds)

89. The factual allegations of Paragraphs 1 through 88 are re-alleged and incorporated as though fully set forth.

90. Between March 2013 and January 2017, in Greene County, in the Western District of Missouri, and elsewhere, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, aided and abetted by one another and by Cranford, knowingly and corruptly gave, offered, and agreed to give something of value to another person, that is, funds purportedly paid for legal services, intending to influence and reward Hutchinson, a Senator in the Arkansas State Senate, in connection with a business, transaction, and series of transactions of the state of Arkansas that

involved \$5,000 or more, and as opportunities arose, that is legislative action benefitting the Charity, including, but not limited to, legislation advanced by Hutchinson to impede the ADHS Initiatives, and proposing and voting for criminal justice reform legislation favorable to the Charity; in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

COUNTS 8-22
18 U.S.C. §§ 1343, 1346, and 2
(Honest Services Wire Fraud)

Introduction

91. The factual allegations of Paragraphs 1 through 90 are re-alleged and incorporated as though fully set forth.

The Charge

92. From in or about 2012 and continuing until in or about 2017, in Greene County, in the Western District of Missouri, and elsewhere, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, aided and abetted by one another, and by Cranford, Hutchinson, Wilkins, Neal, Woods, and others known and unknown to the Grand Jury, devised and intended to devise a scheme and artifice to defraud and deprive the citizens of the state of Arkansas and the government of the state of Arkansas, of their right to the honest services of Hutchinson, Woods, Neal, and Wilkins, through bribery.

The Fraudulent Scheme

93. The fraudulent scheme is summarized in Paragraphs 67 through 77, and Paragraph 78, Subsections L through W, of Count 1, which are re-alleged and incorporated as though fully set forth.

Execution of Scheme

94. From in or about 2012 and continuing until in or about 2017, in the Western District of Missouri, and elsewhere, B. GOSS, T. GOSS, Hutchinson, and Woods, aided and abetted by one another and by others known and unknown to the grand jury, for the purpose of executing the above-described scheme and artifice to defraud and deprive, transmitted and caused to be transmitted by means of wire communications in interstate commerce, the following writings, signals, and sounds, each transmission constituting a separate count:

COUNT	Date	Defendant(s)	Description
8	12/12/2013	B. GOSS T. GOSS	Settlement of \$1,000,000 warrant issued 12/03/2013 by the state of Arkansas to ALTERNATIVE OPPORTUNITIES INC DECISION POINT, deposited to the Charity's MNB account ending 2587.
9	12/16/2013	B. GOSS T. GOSS	E-mail from B. GOSS to Employee P and Cranford, stating: [Employee P], These [sic] is a woman in NW Ar that Rusty would like to hire to Direct the project, with your consultation. As we get closer to beginning, please get with Rusty on her.
10	12/19/2013	B. GOSS T. GOSS	Settlement of \$122,564.93 warrant issued 12/05/2013 by the state of Arkansas to ALTERNATIVE OPPORTUNITIES INC DAYSPRING BEHAVIORAL HEALTH SVCS, deposited to the Charity's MNB account ending 2587.
11	12/19/2013	T. GOSS	Settlement of check #91593, in the amount of \$30,000, drawn on the Charity's MNB account ending 2595, deposited to Saint James United Methodist Church Discretionary Fund, account ending 4672, held at Relyance Bank, in Pine Bluff, Arkansas.
12	01/07/2014	B. GOSS	Settlement of check #41152, in the amount of \$7,500, drawn on the Charity's MNB account ending 8747, deposited to Arvest Bank account ending 7635, held by Jeremy Y Hutchinson doing business as Hutchinson Law Firm.

COUNT	Date	Defendant(s)	Description
13	01/14/2014	B. GOSS	<p>E-mail conversation between Hutchinson and Cranford:</p> <p>Cranford: Would appreciate an appointment with you in reference to the concerns AO has[.]. We will need this immediately. Words I received today wasn't [sic] pleasant to say the least.</p> <p style="text-align: center;">* * *</p> <p>Cranford: You just need to call when u can talk for a few minutes I was on phone with boss all day until 11:30 last night[.]</p> <p>Hutchinson: I've been talking to [redacted]. I'll call soon[.]</p> <p>Cranford: I'm sorry but that doesn't tell me nothing to tell the boss[.]</p>
14	01/17/2014	B. GOSS	E-mail from Cranford to Hutchinson (subject: "special language"), stating, "Here is the bill," and attaching a file labeled, "Mental Health Moratorium Bill 2014 REVISED 2014 01 15.doc"
15	02/12/2014	B. GOSS	E-mail from Hutchinson to Cranford (subject: "Fwd: More information – Moratorium bill"), forwarding BLR-recommended special language needed to accomplish the objective of prohibiting ADHS funding for changes in regulations.
16	02/13/2014	B. GOSS	Settlement of check #42107, in the amount of \$7,500, drawn on the Charity's MNB account ending 8747, deposited to Arvest Bank account ending 7635, held by Jeremy Y Hutchinson doing business as Hutchinson Law Firm.
17	08/15/2014	B. GOSS T. GOSS	Settlement of check #47663, in the amount of \$400,000, drawn on the Charity's MNB account ending 8747, deposited to NWAEDD's Legislative Funds account ending 8611, held at Arvest Bank.
18	02/13/2015	T.GOSS	<p>E-mail from T. GOSS to Cranford, stating:</p> <p>The bill need to be written so the winner can provide or can collaborate with someone that does vocational. Talk to the right people but I think you understand what I am saying [...]</p> <p>Really need vocational in the bill. I know one provider in Arkansas that is really good at all the components if they get in the bill [...]</p>

COUNT	Date	Defendant(s)	Description
19	02/13/2015	B. GOSS T. GOSS	E-mail from T. GOSS to Hutchinson, stating: Jeremy can Bontiea and I call you Monday and we can go over vocational with you. AO serves 10's of thousands annually and it is the absolute key on positive outcomes and it is only a 20 cent dollar.[...] This one thing doesn't cost the state a dime and will be the secret sauce on service success rates.
20	2/16/2015	B. GOSS	E-mail from B. GOSS to Hutchinson, stating: Suggestions on simple language may be: Pg 14 line 13 line...including without limitation an accredited community based provider specializing in behavioral health, case management and job placement services[.] Thank you for the opportunity.
21	07/05/2016	B. GOSS	E-mail from B. GOSS to the Charity's outside counsel, attaching "Engagement Letter" signed by B. GOSS and Hutchinson.
22	12/12/2016	B. GOSS	Settlement of check #74476, in the amount of \$18,000, drawn on the Charity's Oakstar Bank account ending 3560, deposited to Arvest Bank account ending 7635, held by Jeremy Y Hutchinson doing business as Hutchinson Law Firm.

All in violation of Title 18, United States Code, Sections 1343, 1346, and 2.

COUNTS 23-30
18 U.S.C. §§ 1343 and 2
(Wire Fraud)

Introduction

95. The factual allegations of Paragraphs 1 through 94 are re-alleged and incorporated as though fully set forth.

The Charge

96. From in or about 2005 and continuing until in or about November 2017, in Greene County, in the Western District of Missouri, and elsewhere, defendants **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, aided and abetted by one another, Cranford, and by others known and unknown to the Grand Jury, devised and intended to devise a scheme to defraud the Charity, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

The Fraudulent Scheme

97. The fraudulent scheme is summarized in Paragraphs 67 through 77, and Paragraph 78, Subsections A through K, and X of Count 1, which are re-alleged and incorporated as though fully set forth.

Execution of Scheme

98. From in or about 2005 and continuing until in or about November 2017, in the Western District of Missouri, and elsewhere, B. GOSS and T. GOSS, aided and abetted by one another and by others known and unknown to the grand jury, for the purpose of executing the above-described scheme and artifice to defraud, transmitted and caused to be transmitted by means of wire communications in interstate commerce, the following writings, signals, and sounds, each transmission constituting a separate count:

COUNT	Date	Defendant(s)	Description
23	12/17/2013	T. GOSS	Settlement of check #91293, dated 12/05/2013, in the amount of \$150,000, drawn on the Charity’s MNB account ending 2595, deposited to the Cranford Coalition’s Bancorp South account ending 2316.
24	12/17/2013	T. GOSS	Settlement of check #91508, dated 12/12/2013, in the amount of \$187,175, drawn on the Charity’s MNB account ending 2595, deposited to the Cranford Coalition’s Bancorp South account ending 2316.

COUNT	Date	Defendant(s)	Description
25	12/18/2013	T. GOSS	Settlement of checks #2320 in the amount of \$75,000 and #2321 in the amount of \$85,000, both dated 12/12/2013 and drawn on the Cranford Coalition's Bancorp South account ending 2316, deposited to the MNB account ending 9278, held by T. GOSS and B. GOSS.
26	03/13/2014	B. GOSS T. GOSS	T. GOSS, B. GOSS, Person #21, and others discussed, via e-mail, Entity E's rental of a warehouse in Springfield, Missouri. T. GOSS informed Person #21 that the warehouse was "Ok for free rent," and B. GOSS stated, ". . . I'm completely supportive."
27	06/05/2014	T. GOSS	Text from T. GOSS to Cranford, stating: "That will work. Hey from now on just send me 30% cash and you keep the rest for tax on Cranford stuff. That gives you 40% of my half for tax. That way I don't get 1099 and you aren't short on tax."
28	01/05/2015	T. GOSS	Email exchange between T. GOSS and Cranford: T. GOSS: Where are you tomorrow. I have big check to Fedex. I am in Springfield at 1111 S. Glenstone, Suite 3-100, Springfield, MO 65804 until Thursday night. Cranford: I'm home with pneumonia and acute bronchitis. . . . T. GOSS: . . . Tell me where to send the FedEx. I opened the check and the amount is \$142,750 so is correct [sic][.] Cranford: [Address redacted.] T. GOSS: OK, be sure and send me \$100k on that one. We will work out the difference later. Thank you.
29	01/07/2015	T. GOSS	Settlement of check #102839, in the amount of \$50,000, drawn on the Charity's MNB account ending 2595, deposited to Company C's OakStar Bank account ending 8315.

COUNT	Date	Defendant(s)	Description
30	04/05/2016	B. GOSS T. GOSS	Settlement of check #117502, in the amount of \$21,036.43, drawn on the Charity's OakStar Bank account ending 3587, deposited to Company C's OakStar Bank account ending 8315.

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

COUNT 31

26 U.S.C. § 7206(2)

(Aiding and Assisting in Preparation and Presentation of False Return)

99. The factual allegations of Paragraphs 1 through 98 are re-alleged and incorporated as though fully set forth.

100. On or about April 15, 2014, in Greene County, in the Western District of Missouri, and elsewhere, defendants **TOMMY RAY GOSS** and **BONTIEA BERNEDETTE GOSS**, residents of Boulder, Colorado, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service of a U.S. Individual Income Tax Return, IRS Form 1040, for the calendar year 2013, filed jointly by T. GOSS and B. GOSS. The return, which was filed with the Director, Internal Revenue Service Center, at Kansas City, Missouri, was false and fraudulent as to material matters, including, among others: it stated on Line 22 that their total income was approximately \$1,237,166.00, whereas, as T. GOSS and B. GOSS then and there well knew and believed, they had received income in excess of the reported amount; in violation of Title 26, United States Code, Section 7206(2).

COUNT 32

26 U.S.C. § 7206(2)

(Aiding and Assisting in Preparation and Presentation of False Return)

101. The factual allegations of Paragraphs 1 through 100 are re-alleged and incorporated as though fully set forth.

102. On or about October 27, 2014, in Greene County, in the Western District of Missouri, and elsewhere, defendant **TOMMY RAY GOSS**, a resident of Boulder, Colorado, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service of an Amended U.S. Individual Income Tax Return, IRS Form 1040X, for the calendar year 2013, filed jointly by T. GOSS and B. GOSS. The return, which was filed with the Director, Internal Revenue Service Center, at Kansas City, Missouri, was false and fraudulent as to material matters, including, among others: it stated on Line 1, Column C, that their correct adjusted gross income was approximately \$1,563,392.00, whereas, as T. GOSS then and there well knew and believed, he and B. GOSS had received income in excess of the reported amount; in violation of Title 26, United States Code, Section 7206(2).

COUNT 33

26 U.S.C. § 7206(2)

(Aiding and Assisting in Preparation and Presentation of False Return)

103. The factual allegations of Paragraphs 1 through 102 are re-alleged and incorporated as though fully set forth.

104. On or about May 12, 2015, in Greene County, in the Western District of Missouri, and elsewhere, defendants **TOMMY RAY GOSS** and **BONTIEA BERNEDETTE GOSS**, residents of Boulder, Colorado, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service of a Return of Organization Exempt from Income Tax, IRS Form 990, for Alternative Opportunities, Inc., for July 1, 2013 through June 30, 2014. That return was false and fraudulent as to material matters, in that it contained the following statements and omissions, among others:

a. The return stated, “No,” in answer to Part IV (Checklist of Required Schedules), Question 3 (“Did the organization engage in direct or indirect political campaign

activities on behalf of or in opposition to candidates for public office?"); whereas, as T. GOSS and B. GOSS then and there well knew and believed, the organization had engaged in indirect political campaign activities on behalf of multiple political candidates, including the making of donations through third parties, and hosting and paying for candidates' fund-raising events.

b. The return stated, "No," in answer to Part IV (Checklist of Required Schedules), Question 25a ("Did the organization engage in an excess benefit transaction with a disqualified person during the year?"), and provided no information in Schedule L, Part 1, Sub-parts (a) ("Name of disqualified person"), (b) ("Relationship between disqualified person and organization"), and (c) ("Description of transaction"); whereas, as T. GOSS and B. GOSS then and there well knew and believed, the organization had engaged in multiple excess benefit transactions with disqualified persons.

c. The return stated, "No," in answer to Part IV (Checklist of Required Schedules), Question 25b ("Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ?"), and provided no information in Schedule L, Part 1, Sub-parts (a) ("Name of disqualified person"), (b) ("Relationship between disqualified person and organization"), and (c) ("Description of transaction"); whereas, as T. GOSS and B. GOSS then and there well knew and believed, the organization had engaged in multiple excess benefit transactions with disqualified persons in prior years that had not been reported.

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

COUNT 34
26 U.S.C. § 7206(2)
(Aiding and Assisting in Preparation and Presentation of False Return)

105. The factual allegations of Paragraphs 1 through 104 are re-alleged and incorporated as though fully set forth.

106. On or about March 14, 2016, in Greene County, in the Western District of Missouri, and elsewhere, defendants **TOMMY RAY GOSS** and **BONTIEA BERNEDETTE GOSS**, residents of Boulder, Colorado, willfully aided and assisted in, and procured, counseled, and advised the preparation and presentation to the Internal Revenue Service of a Return of Organization Exempt from Income Tax, IRS Form 990, for Alternative Opportunities, Inc., for July 1, 2014, through April 30, 2015. That return was false and fraudulent as to material matters, in that it contained the following statements and omissions, among others:

a. The return stated, “No,” in answer to Part IV (Checklist of Required Schedules), Question 3 (“Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office?”); whereas, as T. GOSS and B. GOSS then and there well knew and believed, the organization had engaged in indirect political campaign activities on behalf of multiple political candidates, including the making of donations through third parties, and hosting and paying for candidates’ fund-raising events.

b. The return stated, “No,” in answer to Part IV (Checklist of Required Schedules), Question 25a (“Did the organization engage in an excess benefit transaction with a disqualified person during the year?”), and provided no information in Schedule L, Part 1, Subparts (a) (“Name of disqualified person”), (b) (“Relationship between disqualified person and organization”), and (c) (“Description of transaction”); whereas, as T. GOSS and B. GOSS then

and there well knew and believed, the organization had engaged in multiple excess benefit transactions with disqualified persons.

c. The return stated, “No,” in answer to Part IV (Checklist of Required Schedules), Question 25b (“Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization’s prior Forms 990 or 990-EZ?”), and provided no information in Schedule L, Part 1, Sub-parts (a) (“Name of disqualified person”), (b) (“Relationship between disqualified person and organization”), and (c) (“Description of transaction”); whereas, as T. GOSS and B. GOSS then and there well knew and believed, the organization had engaged in multiple excess benefit transactions with disqualified persons in prior years that had not been reported.

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

COUNT 35
31 U.S.C. § 5324(a)(3)
(Structuring Transaction to Evade Reporting Requirement)

107. The factual allegations of Paragraphs 1 through 106 are re-alleged and incorporated as though fully set forth.

108. In or about July 2014, in Greene County, in the Western District of Missouri, and elsewhere, defendant **TOMMY RAY GOSS** knowingly and for the purpose of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations promulgated thereunder, structured and assisted in structuring, transactions with a domestic financial institution, specifically, he deposited a total of \$14,500 in United States currency (cash) in two transactions:

a. On or about July 2, 2014, in a lobby transaction at Metropolitan National Bank, 600 South Glenstone Avenue, Springfield, Missouri, he deposited cash in the amount of \$7,500 into White Dog Asset Holding, LLC's MNB checking account ending 6442.

b. On or about July 7, 2014, in a drive-through transaction at Metropolitan National Bank, 600 South Glenstone Avenue, Springfield, Missouri, he deposited cash in the amount of \$7,000 into White Dog Asset Holding, LLC's MNB checking account ending 6442.

All in violation of Title 31, United States Code, Section 5324(a)(3); Title 31, Code of Federal Regulations, Sections 1010.100(t) and 1010.311, and Title 18, United States Code, Section 2.

FORFEITURE ALLEGATION

109. The factual allegations of Paragraphs 1 through 98 of the Indictment are hereby alleged and fully incorporated herein for the purpose of alleging forfeiture to the United States pursuant to the provisions of Title 18, United States Code, Sections 981(a)(1)(C), 371, 666, and 1343, and Title 28, United States Code, Section 2461.

110. As a result of the offenses alleged in Counts 1 through 30 of this Indictment, and pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, the defendants, **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, shall forfeit to the United States all property, real and personal, constituting, or derived from, proceeds traceable to the offenses, directly or indirectly, as a result of the violations of law, including but not limited to:

Money Judgment

111. A money judgment representing proceeds obtained by **BONTIEA BERNEDETTE GOSS** and **TOMMY RAY GOSS**, in that the sum in aggregate, constitutes or is derived from proceeds traceable to the offense set forth in Counts 1 through 30.

Substitute Assets

112. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred, 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 which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 21, United States Code, Section 853(p) as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of forfeitable property.

A TRUE BILL

DATED: 11/06/2019
Springfield, Missouri

/s/ Katherine Bakesz
FOREPERSON OF THE GRAND JURY

TIMOTHY A. GARRISON
United States Attorney

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