

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA
CRIMINAL DIVISION
VENUE: SAN FRANCISCO

FILED

DEC - 9 2010

RICHARD W. WASKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
v.

[REDACTED]

CHARLES ROBERT VAUGHN
a/k/a Robert Vaughan
a/k/a Robert Vaughn

CR 10 0902

RS

DEFENDANT.

INDICTMENT

18 U.S.C. § 1014-False Statement to Government Agency
18 U.S.C. § 1028A-Aggravated Identity Theft
18 U.S.C. § 1344(1) &(2)- Bank Fraud

A true bill.

[Signature]
Foreman

Filed in open court this 9th day of
DEC. 2010

Clerk

Bail, \$ 200 BAIL ARREST WARRANT
[Signature]

CN

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

OFFENSE CHARGED

18 U.S.C. § 1014-False Statement to Government Agency Petty
18 U.S.C. § 1028A-Aggravated Identity Theft Minor
18 U.S.C. § 1344(1) &(2)- Bank Fraud Misdemeanor

[REDACTED]

Felony

PENALTY: Counts 1 and 3: 30yrs imprisonment; \$ 1,000,000 fine; 5yrs supervised release; \$100 special assessment. Count 2: 2yrs consecutive imprisonment; \$ 250,000 fine; 1yrs supervised release; \$ 100 special assessment. Count 4: 30yrs imprisonment; \$ 1,000,000 fine; 5yrs supervised release; \$100 special assessment.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

DEFENDANT - U.S.

CHARLES ROBERT VAUGHN

DISTRICT COURT NUMBER

RS

CR 10 0902

DEFENDANT

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S.

Attorney (if assigned) Susan E. Badger/AUSA

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

1) If not detained give date any prior summons was served on above charges

2) Is a Fugitive

3) Is on Bail or Release from (show District)

FILED

DEC 9 2010

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IS IN CUSTODY

4) On this charge

5) On another conviction

Federal State

6) Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainee been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: No bail warrant

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time

Before Judge:

Comments:



1 MELINDA HAAG (CABN 132612)
United States Attorney

FILED

DEC - 9 2010

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA



9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN FRANCISCO DIVISION

RS

13 UNITED STATES OF AMERICA,

14 Plaintiff,

15 v.

16 CHARLES ROBERT VAUGHN,
17 a/k/a ROBERT VAUGHAN,
18 a/k/a ROBERT VAUGHN,

19 Defendant.

CR No. 10 0902

18 U.S.C. § 1014 -- False Statement to
Government Agency; 18 U.S.C. § 1028A
– Aggravated Identity Theft; 18 U.S.C.
§§ 1344(1) & (2) -- Bank Fraud

20 INDICTMENT

21 The Grand Jury charges:

22 INTRODUCTORY ALLEGATIONS

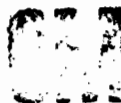
23 At all times relevant to this indictment:

24 1. CHARLES ROBERT VAUGHN, a/k/a ROBERT VAUGHAN, a/k/a ROBERT
25 VAUGHN, (“VAUGHN”), was a resident of Sonoma County, California.

26 2. VAUGHN represented that he was in the business of growing organic produce
27 at 1645 South Wright Road in Santa Rosa, California.

28 3. VAUGHN represented that the name of his business was @VANTAGE.COM

INDICTMENT



1 Planet Organic, a/k/a @VANTAGE.COM, LLC dba PLANET ORGANIC, a/k/a
2 ADVANTAGE MARKETING, a/k/a PLANET ORGANIC, LLC, a/k/a PLANET
3 ORGANIC.

4 4. VAUGHN represented himself to be the manager, Vice-President, and member
5 of the business, and as having the authority to act on behalf of the business.

6 5. On March 26, 2007, VAUGHN, as the responsible party for the business,
7 caused to be filed a Chapter 12 Voluntary Petition in United States Bankruptcy Court,
8 Northern District of California, under the name @VANTAGE.COM LLC, dba PLANET
9 ORGANIC.

10 6. The Farm Service Agency ("FSA") was the successor agency of the Farmers
11 Home Administration, and was a division of the United States Department of Agriculture
12 and an agency of the United States government. The responsibilities of the FSA included
13 providing economic assistance to qualified farmers. The FSA made loans to farmers who
14 were temporarily unable to obtain private or commercial credit. Emergency loans of up to
15 \$500,000 were available to provide assistance in covering losses sustained by eligible
16 farmers so that they could return to normal farming operations. Operating loans of up to
17 \$200,000 were available to help pay for farm operating expenses.

18 7. The FSA maintained an office in Ukiah, California.

19 8. North Coast Bank, which maintained a branch in Santa Rosa, California, was a
20 division of American River Bank, and the funds of both entities were insured by the
21 Federal Deposit Insurance Corporation ("FDIC").

22 COUNT ONE: (18 U.S.C. § 1014 – False Statement to Government Agency)

23 9. Paragraphs 1 through 7 of this Indictment are hereby re-alleged and
24 incorporated by reference as if set forth in full herein.

25 10. From in or about January 2006 through in or about May 2006, in the Northern
26 District of California and elsewhere, the defendant,

27 CHARLES ROBERT VAUGHN,
a/k/a ROBERT VAUGHAN,
28 a/k/a ROBERT VAUGHN,

1 did knowingly make false statements and reports as specified below for the purpose of
2 influencing the actions of the Secretary of Agriculture, acting through the FSA, in
3 connection with the application in the name of @VANTAGE.COM Planet Organic, a/k/a
4 @VANTAGE.COM, LLC dba PLANET ORGANIC, a/k/a PLANET ORGANIC (“the
5 applicant business”), for a \$500,000 Emergency Loan, by falsely representing the
6 following, among other things:

7 (a) That the applicant business had more than \$900,000 in gross income and
8 more than \$70,000 in net income in 2005, whereas in truth and in fact, as VAUGHN
9 knew, the gross income and net income for the applicant business in 2005 were
10 substantially less than these figures;

11 (b) That neither VAUGHN, the applicant business, nor any member of the
12 applicant business, was involved in pending litigation at the time, whereas in truth and in
13 fact, as VAUGHN knew, at the time the FSA was considering the loan application, there
14 were at least two civil actions pending that involved the applicant business, VAUGHN
15 himself, and another member of the applicant business;

16 (c) That the applicant business rented the property at 1645 South Wright Road
17 under a lease purchase agreement, with an option to purchase the property, whereas in
18 truth and in fact, as VAUGHN knew, the applicant business’s lease had expired due to
19 failure to pay rent and the applicant business had lost its option to purchase the property;

20 (d) That VAUGHN himself had degrees in Business and Economics, whereas in
21 truth and in fact, as VAUGHN knew, he had no such degrees;

22 (e) That the current members of the applicant business were three specific
23 individuals, whereas in truth and in fact, and as VAUGHN knew, one of the purported
24 members was deceased at the time that VAUGHN applied to the FSA for the loan;

25 (f) That a document VAUGHN provided to the FSA entitled “Resolution of the
26 Executive Management Committee of this the @VANTAGE.COM, LLC a California
27 Limited Liability Company,” which purported to give VAUGHN the authority to act on
28 behalf of the applicant business, bore the authentic signatures of all members of the

1 applicant business, whereas in truth and in fact, as VAUGHN knew, at least one member
2 was deceased as of the date she purportedly signed the document, and that signature was
3 forged; and

4 (g) That a communication reporting the re-allocation of the applicant business's
5 member shares was from the business's corporate counsel, whereas in truth and in fact, as
6 VAUGHN knew, the communication was not from the business's counsel.

7 All in violation of Title 18, United States Code, Section 1014.

8 COUNT TWO: (18 U.S.C. § 1028A – Aggravated Identity Theft)

9 11. Paragraphs 1 through 7 of this Indictment are hereby re-alleged and
10 incorporated by reference as if set forth in full herein.

11 12. From in or about January 2006 through in or about May 2006, in the Northern
12 District of California, and elsewhere, the defendant,

13 CHARLES ROBERT VAUGHN,
14 a/k/a ROBERT VAUGHAN,
a/k/a ROBERT VAUGHN,

15 during and in relation to the offense described in Count One of this Indictment, a
16 provision contained in Chapter 47 of Title 18, United States Code, did knowingly use,
17 without lawful authority, a means of identification of another person, namely the name
18 and date of birth of D.S., who was deceased, in violation of Title 18, United States Code,
19 Section 1028A.

20 COUNT THREE: (18 U.S.C. § 1014 – False Statement to Government Agency)

21 13. Paragraphs 1 through 7 of this Indictment are hereby re-alleged and
22 incorporated by reference as if set forth in full herein.

23 14. From in or about January 2006 through in or about October 2006, in the
24 Northern District of California and elsewhere, the defendant,

25 CHARLES ROBERT VAUGHN,
26 a/k/a ROBERT VAUGHAN,
a/k/a ROBERT VAUGHN,

27 did knowingly make false statements and reports as specified below for the purpose of
28 influencing the actions of the Secretary of Agriculture, acting through the FSA, in

1 connection with the application in the name of @VANTAGE.COM Planet Organic, a/k/a
2 @VANTAGE.COM, LLC dba PLANET ORGANIC, a/k/a PLANET ORGANIC (“the
3 applicant business”), for a \$200,000 Operating Loan, by falsely representing the
4 following, among other things:

5 (a) That the applicant business had more than \$900,000 in gross income and
6 more than \$70,000 in net income in 2005, whereas in truth and in fact, as VAUGHN
7 knew, the gross income and net income for the applicant business in 2005 were
8 substantially less than those figures;

9 (b) That neither VAUGHN, the applicant business, nor any member of the
10 applicant business, was involved in pending litigation at the time, whereas in truth and in
11 fact, as VAUGHN knew, at the time the FSA was considering the loan application, there
12 was at least one civil action pending that involved the applicant business;

13 (c) That the applicant business rented the property at 1645 South Wright Road
14 under a lease purchase agreement, with an option to purchase the property, whereas in
15 truth and in fact, as VAUGHN knew, the applicant business’s lease had expired due to
16 failure to pay rent and the applicant business had lost its option to purchase the property;

17 (d) That VAUGHN himself had degrees in Business and Economics, whereas in
18 truth and in fact, as VAUGHN knew, he had no such degrees;

19 (e) That a document VAUGHN provided to the FSA entitled “Resolution of the
20 Executive Management Committee of this the @VANTAGE.COM, LLC a California
21 Limited Liability Company,” which purported to give VAUGHN the authority to act on
22 behalf of the applicant business, bore the authentic signatures of all members of the
23 applicant business, whereas in truth and in fact, as VAUGHN knew, at least one member
24 was deceased as of the date she purportedly signed the document, and that signature was
25 forged; and

26 (f) That a communication reporting the re-allocation of the applicant business’s
27 member shares was from the business’s corporate counsel, whereas in truth and in fact, as
28 ///

1 VAUGHN knew, the communication was not from the business's counsel.

2 All in violation of Title 18, United States Code, Section 1014.

3 COUNT FOUR: (18 U.S.C. §§ 1344 (1) & (2) – Bank Fraud)

4 15. Paragraphs 1 through 5 and 8 of this Indictment are hereby re-alleged and
5 incorporated by reference as if set forth in full herein.

6 The Scheme to Defraud

7 16. Beginning at a time unknown to the grand jury, but no later than March 2006,
8 and continuing through at least June 2008, in the Northern District of California and
9 elsewhere, the defendant,

10 CHARLES ROBERT VAUGHN,
11 a/k/a ROBERT VAUGHAN,
a/k/a ROBERT VAUGHN,

12 did knowingly and intentionally execute and attempt to execute a material scheme and
13 artifice to defraud North Coast Bank, Santa Rosa, California, a financial institution, and
14 to obtain money, funds, credits, and assets owned by, and under the custody and control
15 of, North Coast Bank by means of materially false and fraudulent pretenses,
16 representations, promises, and omissions.

17 17. VAUGHN and his business, @VANTAGE.COM Planet Organic, a/k/a
18 @VANTAGE.COM LLC dba Planet Organic, a/k/a @VANTAGE MARKETING, a/k/a
19 PLANET ORGANIC, LLC (“the applicant business”), applied for and obtained from
20 North Coast Bank a \$100,000 line of credit to be used as operating capital for the
21 applicant business, which VAUGHN drew down between approximately June 11, 2007
22 and August 15, 2007.

23 18. After receiving approval for this line of credit, VAUGHN requested a
24 \$100,000 increase in the line of credit.

25 19. In the process of seeking funds from North Coast Bank, VAUGHN
26 (a) made materially false statements and material omissions about the income, assets, and
27 financial soundness of the applicant business; (b) made materially false statements about
28 his personal income; (c) provided North Coast Bank with false and fraudulent

1 documentation to support his claims about the applicant business's income and his own
2 income; (d) failed to report material adverse information about the applicant business's
3 financial circumstances; and (e) contrary to his agreement with North Coast Bank, used
4 some of the funds for purposes not related to the business's operations.

5 20. It was part of the scheme to defraud that, among other conduct, VAUGHN:

6 (a) Falsely represented to North Coast Bank that the applicant business was a
7 company with just less than \$3 million in annual sales.

8 (b) Falsely represented to North Coast Bank that as of December 31, 2006, the
9 applicant business had total assets of \$2.7 million and total liabilities of \$530,000;

10 (c) Falsely represented to North Coast Bank that in 2006, the applicant business
11 had total income of \$2.6 million and net income of \$1.5 million;

12 (d) Provided to North Coast Bank altered and fraudulent federal income tax
13 returns for the applicant business for the 2004, 2005, and 2006 tax years;

14 (e) Failed to provide to North Coast Bank the federal tax returns for the applicant
15 business for the 2004 and 2005 tax years which showed negative net income for those
16 years;

17 (f) Falsely represented to North Coast Bank that the applicant business had \$1.4
18 million in gross income and net income of \$1.2 million during the first six months of
19 2007;

20 (g) Caused an e-mail to be sent to a representative of North Coast Bank which
21 VAUGHN falsely purported to be from the Certified Public Accountant for the applicant
22 business;

23 (h) Failed to disclose to North Coast Bank that on March 26, 2007, the applicant
24 business filed a Chapter 12 Voluntary Petition in United States Bankruptcy Court,
25 Northern District of California; and

26 ///

27 ///

28 ///

1 (i) Provided false information and fraudulent supporting documentation about
2 his own personal finances, including fraudulent documents showing that he earned
3 interest income in 2004, 2005, and 2006.

4 All in violation of Title 18, United States Code, Sections 1344 (1) & (2).

5
6 DATED:

7 *December 9, 2010*

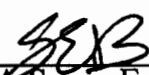
A TRUE BILL.

8 
FOREPERSON

9 MELINDA HAAG
10 United States Attorney

11 *J. Douglas Wilson for*

12 MIRANDA KANE
Chief, Criminal Division

13 (Approved as to form: )
14 AUSA Susan E. Badger

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