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2006 JUL 19 P 2:47
CLERK OF DISTRICT COURT
TUCSON, ARIZONA

10 UNITED STATES DISTRICT COURT
11 DISTRICT OF ARIZONA

13 United States of America,
14
15 Plaintiff,
16 v.
17 Sergio Renteria,
18 Sandra Renteria, and
19 Kayla Taylor,
20 Defendants.

CR06-1275 TUC

INDICTMENT

CXT/HCE

- Violations: 18 U.S.C. § 371
18 U.S.C. § 658
18 U.S.C. § 1014
18 U.S.C. § 152(3)
18 U.S.C. § 152(1)

(Conspiracy To Impede and Impair
the Functions of the Farm Service
Agency; Disposing of Property Pledged
as Security to Farm Service Agency;
False Statement to Influence a Loan;
False Statement in Bankruptcy;
Concealing Assets in Bankruptcy)

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1 **THE GRAND JURY CHARGES:**

2 **COUNT 1**

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4 1. From a time unknown to the grand jury, and continuing to on or about December

5 9, 2003, at or near Willcox, in the District of Arizona, and elsewhere, defendants SERGIO

6 RENTERIA, SANDRA RENTERIA, and KAYLA TAYLOR did unlawfully, willfully, and

7 knowingly conspire, combine, confederate and agree with others known and unknown to the

8 grand jury to defraud the United States for the purpose of impeding, impairing, obstructing, and

9 defeating the lawful government functions of the Farm Service Agency (“FSA”) of the United

10 States Department of Agriculture in the granting, administering and collection of federal farm

11 loan programs.

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14 PARTIES, PERSONS, AND ENTITIES

15 At all relevant times:

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17 2. SERGIO RENTERIA and his wife, SANDRA RENTERA, were residents of

18 Willcox and operated a farm in the Willcox area.

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20 3. KAYLA TAYLOR was the daughter of SERGIO RENTERIA and SANDRA

21 RENTERIA. She was a student. A farm was operated in her name. She was formerly known

22 as Kayla Renteria.

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24 4. The Farm Service Agency was an agency of the United States Department of

25 Agriculture. The Farm Service Agency (formerly known as Farmers Home Administration) was

26 responsible for overseeing and administering federal farm loan programs.

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OVERT ACTS

In furtherance of the conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed in the District of Arizona and elsewhere:

11. On or about February 14, 2000, SERGIO RENTERIA and SANDRA RENTERIA jointly applied to the Farm Service Agency for a \$200,000 farm ownership loan and a \$200,000 farm operation loan, the maximum amount allowable.

12. On or about July 7, 2000, SERGIO RENTERIA and SANDRA RENTERIA changed their loan application to reflect separate, rather than joint, farming activity. Thus, they each requested a \$200,000 farm ownership loan and a \$200,000 farm operation loan, for a total of \$400,000 per person.

13. On or about July 11, 2000, SERGIO RENTERIA signed a Promissory Note for \$38,000 (farm operating loan).

14. On or about July 13, 2000, SERGIO RENTERIA signed a Security Agreement, pledging as security for his loans from the Farm Service Agency all crops and all farm and other equipment.

15. On or about July 11, 2000, SANDRA RENTERIA signed a Promissory Note for \$66,840 (farm operating loan).

16. On or about July 13, 2000, SANDRA RENTERIA signed a Security Agreement, pledging as security for her loans from the Farm Service Agency all crops and all farm and other equipment.

1 17. On or about October 20, 2000, SERGIO RENTERIA signed a Promissory Note
2 for \$197,000 (farm ownership loan) and a Promissory Note for \$161,690 (farm operating loan).

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4 18. On or about October 20, 2000, SANDRA RENTERIA signed Promissory Notes
5 for \$132,640 (farm operating loan); \$113,570 (farm ownership loan); \$38,040 (farm ownership
6 loan); and \$45,395 (farm ownership loan).

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8 19. Between on or about July 19, 2001 and on or about October 17, 2001, SERGIO
9 RENTERIA and SANDRA RENTERIA, without authorization from the Farm Service Agency,
10 sold vegetables worth over \$4,000 grown on their farms that had been pledged as security to the
11 Farm Service Agency.

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13 20. Between on or about August 15, 2001 and on or about September 26, 2001,
14 SERGIO RENTERIA and SANDRA RENTERIA, without authorization from the Farm Service
15 Agency, sold vegetables worth over \$14,000 grown on their farms that had been pledged as
16 security to the Farm Service Agency.

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18 21. On or about August 28, 2001, SERGIO RENTERIA and SANDRA RENTERIA,
19 without authorization from the Farm Service Agency, sold vegetables worth over \$1,300 grown
20 on their farms that had been pledged as security to the Farm Service Agency.

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22 22. Between on or about August 28, 2001 and on or about October 5, 2001, SERGIO
23 RENTERIA and SANDRA RENTERIA, without authorization from the Farm Service Agency,
24 sold vegetables worth over \$4,000 grown on their farms that had been pledged as security to the
25 Farm Service Agency.
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1 23. On or about October 14, 2001, SERGIO RENTERIA and SANDRA RENTERIA,
2 without authorization from the Farm Service Agency, sold vegetables worth over \$3,000 grown
3 on their farms that had been pledged as security to the Farm Service Agency.
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5 24. Between on or about November 15, 2001 and on or about December 11, 2001,
6 SERGIO RENTERIA, without authorization from the Farm Service Agency, sold chili peppers
7 worth over \$14,000 that had been pledged as security to the Farm Service Agency.
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9 25. Between on or about November 15, 2001 and on or about February 4, 2002,
10 SERGIO RENTERIA, without authorization from the Farm Service Agency, sold chili peppers
11 worth over \$13,000 that had been pledged as security to the Farm Service Agency.
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13 26. On or about January 8, 2002, SERGIO RENTERIA, without authorization from
14 the Farm Service Agency, sold a Stover Cotton Module Builder worth \$10,000, that had been
15 pledged as security to the Farm Service Agency.
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17 27. On or about April 25, 2002, SERGIO RENTERIA, without authorization from the
18 Farm Service Agency, sold a John Deere 347 baler worth \$3,500, that had been pledged as
19 security to the Farm Service Agency.
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21 28. On or about September 27, 2002, SERGIO RENTERIA, without authorization
22 from the Farm Service Agency, sold an Oxbow Pix All BH-100 bean harvester and Even Feeder
23 – Vibrating Sorting Table worth \$12,000, that had been pledged as security to the Farm Service
24 Agency.
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1 29. On or about November 21, 2002, KAYLA TAYLOR applied to the Farm Service
2 Agency for a farm ownership loan of \$188,000 and a farm operating loan of \$127,800.

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4 30. On or about December 17, 2002, KAYLA TAYLOR advised the Farm Service
5 Agency that if she obtained the operating loan she would attend school two days a week and
6 farm the remainder of the week.

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8 31. On or about March 7, 2003, KAYLA TAYLOR advised the Farm Services Agency
9 that she would reside in Willcox, Arizona, rather than Tucson if she obtained an operating loan.

10 32. On or about March 7, 2003, a Farm and Home Plan was signed by KAYLA
11 TAYLOR requesting a \$172,588 operating loan from the Farm Services Agency. The plan
12 stated that KAYLA TAYLOR requested the operating funds for expenses associated with the
13 production of corn and squash.

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15 33. On or about March 7, 2003, KAYLA TAYLOR signed an "Agreement for the Use
16 of Proceeds/ Release of Chattel Security" which set forth how the proceeds of the loan would
17 be expended.

18
19 34. On or about March 19, 2003, KAYLA TAYLOR signed a Promissory Note of an
20 operating loan of \$172,588.

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22 35. On or about March 19, 2003, KAYLA TAYLOR received a disbursement of
23 \$101,701 from the Farm Service Agency as part of the farm operating loan.

24
25 36. On or about March 21, 2003, the \$101,701 was deposited to a bank account in the
26 name of KAYLA TAYLOR. The loan was due to be repaid by January 1, 2004.

1 37. On or about March 24, 2003, that money was transferred to a different bank
2 account over which SERGIO RENTERIA and SANDRA RENTERIA had signatory authority.

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4 38. On or about March 25, 2003, SANDRA RENTERIA wrote a check payable to
5 Mercedes Benz of Tucson for \$30,647.65 on the bank account referenced in the preceding
6 paragraph. The check was used to purchase a Mercedes CLK320 in the name SERGIO
7 RENTERIA and SANDRA RENTERIA.
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9 39. On or about April 17, 2003, KAYLA TAYLOR used \$5,400 of the loan proceeds
10 as a down payment for a Mercedes E320W.
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12 40. During 2003, KAYLA TAYLOR was a student at Pima Community College in
13 Tucson. She did not reside at or near the farm in Willcox.

14 41. On or about August 23, 2003, the Farm Service Agency advanced an additional
15 \$28,800 of the operating loan to KAYLA TAYLOR.
16

17 42. On or about December 9, 2003, SERGIO RENTERIA, without authorization from
18 the Farm Service Agency, sold crops worth over \$10,000 from KAYLA TAYLOR's farm, which
19 had been pledged as security to the Farm Service Agency.
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21 43. On or about December 9, 2003, the money from the sale of the crops was used to
22 purchase a mobile home of SERGIO RENTERIA and SANDRA RENTERIA.
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24 44. SERGIO RENTERIA has not made any payments on the loans made to him by the
25 Farm Service Agency.
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1 45. SANDRA RENTERIA has not made any payments on the loans made to her by
2 the Farm Service Agency.

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4 46. KAYLA TAYLOR has not made any payments on the loan made to her by the
5 Farm Service Agency.

6 All in violation of Title 18, United States Code, Section 371.
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9 **COUNT 2**

10 Between on or about July 19, 2001 and on or about October 17, 2001, at or near Willcox,
11 in the District of Arizona, SERGIO RENTERIA and SANDRA RENTERIA, with intent to
12 defraud, did knowingly dispose of and convert to their own use property, that is vegetables worth
13 over \$4,000 grown on their farms and sold to Town and Country Farm, Inc., that were pledged
14 to the Farm Service Agency, a successor agency to Farmers Home Administration, in violation
15 of Title 18, United States Code, Section 658.
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19 **COUNT 3**

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21 Between on or about August 15, 2001 and on or about September 26, 2001, at or near
22 Willcox, in the District of Arizona, SERGIO RENTERIA and SANDRA RENTERIA, with
23 intent to defraud, did knowingly dispose of and convert to their own use property, that is
24 vegetables worth over \$14,000 grown on their farms and sold to Giumarra Companies, that were
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1 pledged to the Farm Service Agency, a successor agency to Farmers Home Administration, in
2 violation of Title 18, United States Code, Section 658.
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5 **COUNT 4**

6 On or about August 28, 2001, at or near Willcox, in the District of Arizona, SERGIO
7 RENTERIA and SANDRA RENTERIA, with intent to defraud, did knowingly dispose of and
8 convert to their own use property, that is vegetables worth over \$1,300 grown on their farms and
9 sold to Prezidente Peppers, that were pledged to the Farm Service Agency, a successor agency
10 to Farmers Home Administration, in violation of Title 18, United States Code, Section 658.
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14 **COUNT 5**

15 Between on or about August 28, 2001 and on or about October 5, 2001, at or near
16 Willcox, in the District of Arizona, SERGIO RENTERIA and SANDRA RENTERIA, with
17 intent to defraud, did knowingly dispose of and convert to their own use property, that is
18 vegetables worth over \$4,000 grown on their farms and sold to Callaway Produce Company, that
19 were pledged to the Farm Service Agency, a successor agency to Farmers Home Administration,
20 in violation of Title 18, United States Code, Section 658.
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COUNT 6

On or about October 14, 2001, at or near Willcox, in the District of Arizona, SERGIO RENTERIA and SANDRA RENTERIA, with intent to defraud, did knowingly dispose of and convert to their own use property, that is vegetables worth over \$3,000 grown on their farms and sold to Valley Fruit and Produce Company, that were pledged to the Farm Service Agency, a successor agency to Farmers Home Administration, in violation of Title 18, United States Code, Section 658.

COUNT 7

Between on or about November 15, 2001 and on or about December 11, 2001, at or near Willcox, in the District of Arizona, SERGIO RENTERIA, with intent to defraud, did knowingly dispose of and convert to his own use property, that is chili peppers worth over \$14,000 grown on his farm that were sold to Kit Carson Farms, Inc., that were pledged to the Farm Service Agency, a successor agency to Farmers Home Administration, in violation of Title 18, United States Code, Section 658.

COUNT 8

Between on or about November 15, 2001 and on or about February 4, 2002, at or near Willcox, in the District of Arizona, SERGIO RENTERIA, with intent to defraud, did knowingly dispose of and convert to his own use property, that is chili peppers worth over \$13,000 grown

1 on his farm that were sold to MA and Sons, that were pledged to the Farm Service Agency, a
2 successor agency to Farmers Home Administration, in violation of Title 18, United States Code,
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4 Section 658.

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6 **COUNT 9**

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8 On or about January 8, 2002, at or near Willcox, in the District of Arizona, SERGIO
9 RENTERIA, with intent to defraud, did knowingly dispose of and convert to his own use
10 property, that is a Stover Cotton Module Builder worth \$10,000, that was pledged to the Farm
11 Service Agency, a successor agency to Farmers Home Administration, in violation of Title 18,
12 United States Code, Section 658.
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15 **COUNT 10**

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17 On or about April 25, 2002, at or near Willcox, in the District of Arizona, SERGIO
18 RENTERIA, with intent to defraud, did knowingly dispose of and convert to his own use
19 property, that is a John Deere 347 baler worth \$3,500, that was pledged to the Farm Service
20 Agency, a successor agency to Farmers Home Administration, in violation of Title 18, United
21 States Code, Section 658.
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COUNT 11

On or about September 27, 2002, at or near Willcox, in the District of Arizona, SERGIO RENTERIA, with intent to defraud, did knowingly dispose of and convert to his own use property, that is an Oxbow Pix All BH-100 bean harvester and Even Feeder – Vibrating Sorting Table worth \$12,000, that was pledged to the Farm Service Agency, a successor agency to Farmers Home Administration, in violation of Title 18, United States Code, Section 658.

COUNT 12

On or about March 19, 2003, at or near Willcox, in the District of Arizona, defendant KAYLA TAYLOR knowingly made a false statement for the purpose of influencing the action of the Farm Service Agency, a successor agency to the Farmers Home Administration, in connection with a loan, in that the defendant stated that she would use the loan proceeds solely for the purpose of operating a farm, when in truth and in fact, as the defendant well knew, she intended to use some of the loan proceeds to purchase two Mercedes Benz cars, in violation of Title 18, United States Code, Section 1014.

COUNT 13

On or about December 9, 2003, at or near Willcox, in the District of Arizona, KAYLA TAYLOR and SERGIO RENTERIA, with intent to defraud, did knowingly dispose of and convert to their own use property, that is corn worth in excess of \$10,000 grown on KAYLA

1 TAYLOR's farm, that was pledged to the Farm Service Agency, a successor agency to Farmers
2 Home Administration, in violation of Title 18, United States Code, Section 658.
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5 **COUNT 14**

6 On or about January 21, 2004, at or near Tucson, in the District of Arizona, SERGIO
7 RENTERIA, in relation to a case under Title 11 of the United States Code, specifically In Re:
8 Sergio Renteria and Sandra Renteria, case number 4:02-1943-EWH in the United States
9 Bankruptcy Court for the District of Arizona, knowingly and fraudulently made a materially false
10 statement under penalty of perjury in that Sergio Renteria, in a statement signed under penalties
11 of perjury and submitted to the Chapter 7 Trustee, claimed that the funds used to purchase a
12 trailer were donated by relatives, whereas, as defendant then and there well knew, some of the
13 funds came from assets of the bankruptcy estate, that is, the proceeds of the sale of crops that had
14 been pledged as collateral to the Farm Service Agency, in violation of Title 18, United States
15 Code, Section 152(3).
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21 **COUNT 15**

22 On or about May 24, 2004, at or near Tucson, in the District of Arizona, SERGIO
23 RENTERIA, in relation to a case under Title 11 of the United States Code, specifically In Re:
24 Sergio Renteria and Sandra Renteria, case number 4:02-1943-EWH in the United States
25 Bankruptcy Court for the District of Arizona, knowingly and fraudulently made a materially false
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1 statement under penalty of perjury in that Sergio Renteria, in a statement signed under penalties
2 of perjury and submitted to the Bankruptcy Court, claimed that the funds used to purchase a
3 trailer were donated by relatives, whereas, as defendant then and there well knew, some of the
4 funds came from assets of the bankruptcy estate, that is, the proceeds of the sale of crops that had
5 been pledged as collateral to the Farm Service Agency, in violation of Title 18, United States
6 Code, Section 152(3).
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10 **COUNT 16**

11 From on or about November 30, 2004, to on or about March 2, 2005, in the District of
12 Arizona, SERGIO RENTERIA, in connection with a case under Title 11 of the United States
13 Code, specifically the case In Re: Sergio Renteria and Sandra Renteria, case number 4:02-1943-
14 EWH, in the United States Bankruptcy Court for the District of Arizona, did knowingly and
15 fraudulently conceal from creditors and the trustee property belonging to the estate of a debtor,
16 that is, at least 26 cattle, and the proceeds from the sale of the cattle, in violation of Title 18,
17 United States Code, Section 152(1).
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22 **COUNT 17**


23 From on or about July 31, 2003, to on or about February 11, 2005, in the District of
24 Arizona, SERGIO RENTERIA, SANDRA RENTERIA, and KAYLA TAYLOR, in connection
25 with a case under Title 11 of the United States Code, specifically the case In Re: Sergio Renteria
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1 and Sandra Renteria, case number 4:02-1943-EWH, in the United States Bankruptcy Court for
2 the District of Arizona, did knowingly and fraudulently conceal from creditors and the trustee
3 property belonging to the estate of a debtor, that is, a Mercedes Benz Model S500 titled in the
4 name KAYLA TAYLOR, in violation of Title 18, United States Code, Section 152(1).
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8 **COUNT 18**

9 From on or about April 2004, to on or about December 9, 2005, in the District of Arizona,
10 SERGIO RENTERIA and SANDRA RENTERIA, in connection with a case under Title 11 of
11 the United States Code, specifically the case In Re: Sergio Renteria and Sandra Renteria, case
12 number 4:02-1943-EWH, in the United States Bankruptcy Court for the District of Arizona, did
13 knowingly and fraudulently conceal from creditors and the trustee property belonging to the
14 estate of a debtor, that is, insurance proceeds totaling \$203,507 paid by Hartford Steam Boiler
15 Inspection and Insurance Company, in violation of Title 18, United States Code, Section 152(1).
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19 A TRUE BILL

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21 _____
22 Presiding Juror

23 PAUL K. CHARLTON
24 United States Attorney
25 District of Arizona

26 
27 Assistant U.S. Attorney

28 REDACTED FOR
PUBLIC DISCLOSURE

JUL 19 2006