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CLERK U S DISTRICT COURT DISTRICT OF ARIZONA	
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UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

United States of America,

CR 03-345-PHX-ROS

Plaintiff,

SUPERSEDING  
INDICTMENT

vs.

1. John J. Rizzo  
a/k/a John Rizzo-Nix;  
(Counts 1,2,5,8,9,10,  
14,15,16,17,18,19,20)

VIO: 18 U.S.C. § 371  
(Conspiracy to Defraud the United States  
Government)  
COUNT 1

2. Carol A. Rizzo  
a/k/a Carol Rizzo-Nix;  
(Counts 1,7,11,12,13)

18 U.S.C. § 1623  
(Perjury Before A Federal Grand Jury)  
COUNTS 2,3,4

3. Cheryl A. Cully,  
a/k/a Chey Cully;  
(Counts 1, 3, 4, 6)  
Defendants.

18 U.S.C. § 1503  
(Obstruction of Justice)  
COUNTS 5-7

26 U.S.C. § 7203  
(Willful Failure to File an Income Tax  
Return)  
COUNTS 8-13

26 U.S.C. § 7206(2)  
(Aiding & Assisting in the Preparation &  
Presentation of a False Income Tax Return)  
COUNTS 14-20

THE GRAND JURY CHARGES:





1 with each other, and with other individuals both known and unknown to the Grand Jury, to  
2 defraud the United States by dishonest and deceitful means for the purpose of impeding,  
3 impairing, obstructing, and defeating the lawful governmental functions of the U.S. Department  
4 of Treasury, Internal Revenue Service, in the ascertainment, computation, and collection of  
5 income taxes.  
6

7  
8 THE MANNER AND MEANS BY WHICH THE  
9 CONSPIRACY WAS CARRIED OUT

10 2. The dishonest and deceitful manner and means by which the conspiracy was  
11 sought to be accomplished included, among other things, the following during the dates of the  
12 alleged conspiracy:

13 a). Defendants JOHN J. RIZZO, CAROL A. RIZZO, CHERYL A. CULLY and  
14 others known to the Grand Jury earned income by selling tax-related products and services  
15 through various entities named Freedom Career Institute and Millennium Publishing. These  
16 products included: Life Support, Millennium 2000 Reliance Defense Program (M2K) and the  
17 Tax Recovery Program.  
18

19 b). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
20 concealed their income by conducting financial transactions in cash and/or with the use of  
21 money orders purchased with cash.  
22

23 c). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
24 concealed their income by use of a domestic bank account at Bank of America which contained  
25 a social security number that did not belong to them.  
26  
27

1 d). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
 2 concealed their income by maintaining a "sub-account" with St. Andrews Management  
 3 Company in Nassau, Bahamas, whereby funds belonging to the defendants JOHN J. RIZZO and  
 4 CAROL A. RIZZO were deposited into a general account in the name of St. Andrews  
 5 Management Company at Ansbacher Bank in Nassau, Bahamas, and all banking services were  
 6 privately conducted on behalf of the defendants JOHN J. RIZZO and CAROL A. RIZZO by St.  
 7 Andrews Management Company.  
 8

9 e). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
 10 concealed their income by opening and maintaining various other offshore bank accounts  
 11 including, but not limited to the following:  
 12

13 NAME	14 A/C #	15 BANK	16 LOCATION
17 Millennium Publishing	010003516	Crozier Bank	Grenada, West Indies
18 Millennium Publishing	00253101	Imperium Bank	Grenada, West Indies
19 John Rizzo	100255058	CIBC Bahamas	Nassau, Bahamas

20 f). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
 21 concealed their income by utilizing credit cards issued in connection with above-named offshore  
 22 bank accounts.  
 23

24 g). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
 25 used a Bahamian merchant account belonging to a business named Island Getaway Vacations  
 26  
 27

1 to conduct credit card sales of their tax-related products. The defendants JOHN J. RIZZO and  
2 CAROL A. RIZZO also enlisted the services of a Bahamian company named Euro-Caribbean  
3 Management Company to process the credit card sales.  
4

5 h). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
6 conducted credit card sales through a second merchant account located at Zions First National  
7 Bank in Orem, Utah, which was opened and maintained by a Canadian business named Global  
8 Village Market. The defendants JOHN J. RIZZO and CAROL A. RIZZO conducted additional  
9 financial transactions utilizing a related Global Village Market checking account at Zions First  
10 National Bank.  
11  
12

13 i). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
14 arranged for the transfer of funds deposited and maintained on their behalf in the Global Village  
15 Market account at Zions First National Bank to offshore bank accounts.  
16

17 j). To further the conspiracy, defendants JOHN J. RIZZO and CAROL A. RIZZO  
18 concealed income they earned during the years in issue by possessing a black 2000 model  
19 Cadillac Escalade, a red 2000 Dodge Durango, a red Chevrolet Corvette, and a red 1999  
20 Chevrolet Tracker some of which were not registered in their own names and continued to utilize  
21 State of Nevada Driver's Licenses after relocating to the State of Arizona.  
22

23 k). During the calendar years 2002 and 2003, defendants JOHN J. RIZZO and  
24 CAROL A. RIZZO have resided within the gated community of Sincuidados, located at 8300  
25  
26  
27  
28

1 East Dixileta Drive, Lot 310, Scottsdale, Arizona, for the monthly sum of \$4,500.00 and  
2 security deposit totaling \$5,500.00.

3  
4 1). To further the conspiracy, defendants JOHN J. RIZZO, CAROL A. RIZZO  
5 CHERYL A. CULLY and others did not file any U.S. individual income tax returns for income  
6 they earned during the years in issue with the U.S. Department of Treasury, Internal Revenue  
7 Service and the State of Arizona. For these years, defendants JOHN J. RIZZO, CAROL A.  
8 RIZZO, CHERYL A. CULLY and others failed to report any items of gross income, deductions  
9 and credits to the Internal Revenue Service of the Department of Treasury and to the State of  
10 Arizona.  
11

12  
13 OVERT ACTS

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

16  
17 a). On or about March 29, 1996, defendants JOHN J. RIZZO and CAROL A. RIZZO  
18 opened a bank account at the Bank of America with a social security number that did not belong  
19 to them and thereafter used the bank account to deposit business receipts of Millennium  
20 Publishing and the Millennium 2000 Reliance Defense Program.  
21

22 b). In or about November 1999, defendants JOHN J. RIZZO and CAROL A. RIZZO  
23 established an offshore bank account, referred to as a "sub-account," at Ansbacher Bank in  
24 Nassau, Bahamas, through a Bahamian company named St. Andrews Management Company  
25  
26  
27  
28



1 c). In or about December 1999, the defendant CAROL A. RIZZO delivered to S  
2 Andrews Management Company approximately nineteen cashiers checks and money order  
3 totaling approximately \$46,100 for deposit into defendant JOHN J. RIZZO and CAROL A  
4 RIZZO's sub-account maintained by St. Andrews Management Company at Ansbacher Bank  
5 Nassau, Bahamas.  
6

7  
8 d). In or about April 2000, while ending their business relationship with St. Andrew  
9 Management Company, the defendants JOHN J. RIZZO and CAROL A. RIZZO arranged fo  
10 transfer of all their current and future funds deposited with Island Getaway Vacation to a bank  
11 account at Suisse Security Bank & Trust in Nassau, Bahamas, in the name of Global Villag  
12 International.  
13

14 e). In or about May 2000, the defendants JOHN J. RIZZO and CAROL A. RIZZO  
15 opened and maintained an offshore bank account (A/C # 010003516) at Crozier Bank in  
16 Grenada, West Indies, in the name of Millennium Publishing into which they deposited sale  
17 proceeds and conducted financial transactions.  
18

19 f). In or about June 2000, the defendants JOHN J. RIZZO and CAROL A. RIZZO  
20 opened and maintained an offshore bank account (A/C # 00253101) at Imperium Bank in  
21 Grenada, West Indies, in the name of Millennium Publishing into which they deposited sale  
22 proceeds and conducted financial transactions.  
23

24 g). In or about October 2000, the defendants JOHN J. RIZZO and CAROL A. RIZZO  
25 opened and maintained an offshore bank account in the name of "John Rizzo" (A/C #  
26  
27  
28

1 100355058) at CIBC in Nassau, Bahamas, which the defendants JOHN J. RIZZO and CAROL  
 2 A. RIZZO used to conduct financial transactions.

3  
 4 h). On or about January 19, 2001, defendant CAROL A. RIZZO mailed a Federal  
 5 Express envelope with an International Air Waybill commodity description stating the package  
 6 contained "Business Documents" when in truth and fact, as opened by the United States Custom  
 7 Service the package contained the undeclared sum of \$301,700.00 in checks, money orders and  
 8 personal checks payable to defendant JOHN J. RIZZO and intended for export from the United  
 9 States of America for deposit into a foreign bank account held by defendants JOHN J. RIZZO  
 10 and CAROL A. RIZZO in the City of Nassau and Country of Bahamas where they also owned  
 11 a residence.

12  
 13  
 14 i). On the dates and in the amounts set forth below, the defendants JOHN J. RIZZO  
 15 and CAROL A. RIZZO arranged for the transfer of funds by wire from the Global Village  
 16 Market USA checking account (032-15724-0) at Zions First National Bank to various offshore  
 17 bank accounts for their benefit:

Overt Act	Date	Amount	Receiving Bank	Account
(i)(1)	7/6/00	\$49,197	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723
(i)(2)	8/18/00	\$8,440	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723
(i)(3)	9/6/00	\$8,833	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723

1	(i)(4)	10/13/00	\$12,600	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723
2					
3	(i)(5)	10/18/00	\$8,500	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723
4					
5	(i)(6)	10/30/00	\$7,087	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723
6					
7	(i)(7)	11/8/00	\$11,025	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723
8					
9	(i)(8)	11/22/00	\$13,545	CIBC Bahamas	Global Village Market Holdings A/C 01-002-10723
10					
11	(i)(9)	12/20/00	\$16,650	CIBC Bahamas	John and Carol Rizzo A/C 100355058
12					
13	(i)(10)	12/28/00	\$4,410	CIBC Bahamas	John and Carol Rizzo A/C 100355058
14					
15	(i)(11)	1/17/01	\$16,999	CIBC Bahamas	John and Carol Rizzo A/C 100355058
16					
17	(i)(12)	1/24/01	\$5,096	CIBC Bahamas	John and Carol Rizzo A/C 100355058
18					
19	(i)(13)	2/9/01	\$16,929	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
20					
21	(i)(14)	2/20/01	\$22,760	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
22					
23	(i)(15)	3/8/01	\$18,360	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
24					
25	(i)(16)	3/16/01	\$11,115	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
26					
27	(i)(17)	3/20/01	\$9,945	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
28					
	(i)(18)	4/5/01	\$25,380	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516

1	(i)(19)	4/12/01	\$15,255	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
2					
3	(i)(20)	4/23/01	\$6,300	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
4					
5	(i)(21)	5/1/01	\$15,300	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
6					
7	(i)(22)	5/14/01	\$29,115	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
8					
9	(i)(23)	5/29/01	\$16,560	CIBC Bahamas	Global Village International A/C 1000-210-690
10					
11	(i)(24)	6/7/01	\$18,655	Crozier Bank Grenada, West Indies	Millennium Publishing A/C 010003516
12					
13	(i)(25)	6/7/01	\$10,000	CIBC Bahamas	Global Village International A/C 1000-210-690
14					
15	(i)(26)	7/18/01	\$9,495	Imperium Bank Grenada, West Indies	Millennium Publishing A/C 00253101
16					
17	(i)(27)	9/14/01	\$50,000	CIBC Bahamas	Global Village International A/C 1000-210-690
18					
19	(i)(28)	5/29/02	\$4,800	CIBC Bahamas	Global Village International A/C 1000-210-690
20					
21	(i)(29)	6/26/02	\$4,700	CIBC Bahamas	Global Village International A/C 1000-210-690
22					
23	(i)(30)	7/3/02	\$15,000	CIBC Bahamas	Global Village International A/C 1000-210-690
24					

22 j). On or about June 11, 2001, defendant CAROL A. RIZZO directed the transfer of  
 23 \$100,000 from the Millennium Publishing bank account (A/C #010003516) at Crozier Bank in  
 24 Grenada, West Indies, to Millennium Publishing bank account (A/C #00253101) at Imperium  
 25 Bank in Grenada, West Indies.

1 k). On or about July 22, 2001, defendant CAROL A. RIZZO arranged for a wire  
2 transfer of \$2,000 from the Millennium Publishing account at Imperium Bank in Grenada, West  
3 Indies to Kachina Cadillac in Scottsdale, Arizona, for the purchase of a black 2000 model  
4 Cadillac Escalade.  
5

6 l). On or about July 22, 2001, defendant CAROL A. RIZZO arranged for a wire  
7 transfer of \$10,000 from the Millennium Publishing account at Imperium Bank in Grenada, West  
8 Indies to the bank account in the name of John Rizzo A/C # 0100355058 at CIBC, Nassau,  
9 Bahamas.  
10

11 m). On or about May 24, 2002, defendants JOHN J. RIZZO and CAROL A. RIZZO  
12 filled out a house rental application listing defendant JOHN J. RIZZO as the owner of  
13 Millennium Publishing, 8912 E. Pinnacle Peak Road, for the past 20 years with a monthly  
14 income totaling \$25,000.00.  
15

16 n). On or about January, 27, 2003, the defendant CAROL A. RIZZO directed an  
17 CHERYL A. CULLY to provide false and misleading testimony to a federal grand jury in the  
18 District of Arizona by admonishing Cully not to disclose to the grand jury where the Rizzos lived  
19 or that she had worked for them.  
20  
21

22 o). On January 29, 2003, defendant CHERYL A. CULLY provided false and  
23 misleading testimony under oath before a federal grand jury in the District of  
24 Arizona.  
25  
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28

1 p). On January 29, 2003, defendant JOHN J. RIZZO provided false and misleadin  
2 testimony under oath before a federal grand jury in the District of Arizona.

3  
4 q). On January 30, 2003, defendant CHERYL A. CULLY provided false an  
5 misleading testimony under oath before a federal grand jury in the District o  
6 Arizona.

7  
8 All in violation of Title 18, United States Code Section 371.

9 COUNT 2

10 The Grand Jury further charges and incorporates by reference the introductory  
11 allegations as if fully set forth herein:

12  
13 1. On January 29, 2003, in the District of Arizona, the defendant JOHN J. RIZZO  
14 having taken an oath under penalty that he would testify truthfully, and while testifying  
15 before a grand jury in the District of Arizona, a grand jury of the United States duly  
16 empaneled and sworn in the District of Arizona, knowingly made false material declarations  
17 as set forth below.

18  
19 2. At the time and place aforesaid, the Grand Jury was conducting an investigation of  
20 defendant JOHN J. RIZZO and others of possible Title 26 tax violations, including, among  
21 other offenses, Failure to File Returns in violation of Title 26, United States Code, Section  
22 7203.  
23  
24  
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1 3. That it was material to said investigation to determine, among other things, whether  
2 defendant JOHN J. RIZZO willfully failed to file tax returns since 1989 and assisted others  
3 in similar illegal conduct.  
4

5 4. On January 29, 2003, in the District of Arizona, defendant JOHN J. RIZZO knowing  
6 that he was the target of a criminal investigation, voluntarily asked to appear before the  
7 Grand Jury, and upon doing so and having been advised of his rights and having taken an  
8 oath that he would testify truthfully, did knowingly declare before the Grand Jury with  
9 respect to the aforesaid material matter, as follows:  
10

11 Q. Just a few questions. You have -- you sell books and materials as a -- so you're self  
12 employed. So do you file any personal income tax with the United States government  
13 in regards to the sale of these books and materials and advice that you give for which  
14 you charge money?  
15

16 A. If you're asking me if I'm reporting that income, the answer is yes. If you're asking me  
17 if I'm filing tax returns, I have to answer honestly and say that in my recollection I  
18 believe I have filed all those returns.  
19

20 Q. So you're current on your -- on filing returns up to right now?  
21

22 A. I believe that the -- I want to make sure I answer you accurately. I know for a fact that  
23 there were some years, and I'm going back quite a few years, that were not filed as a  
24 result of me not having sufficient income to meet the criteria level to file a return.  
25 The subsequent years I believe were in fact filed. I can't answer as to whether I'm  
26  
27  
28

1 current or not. I believe that may be the case, but without looking I couldn't answer  
2 you honestly.

3 \* \* \*

4  
5 Q. Some of the witnesses we heard after hearing your presentation believe you had not  
6 paid taxes in recent years and did not intend to. Would that be a correct statement?

7  
8 A. Well, that's an incorrect statement if I filed my tax returns, absolutely.

9 Q. Did you tell them that you did not file your taxes, or did you give them the impression  
10 you hadn't or wouldn't file your taxes.

11 A. You know, again I'm going back to -- I can't tell you what their state of mind is or  
12 what they may have gleaned from something I said,  
13 but I don't recall specifically saying that I did not file my taxes.

14  
15 Q. Let me clear this up here. You're saying that would be an incorrect statement if you  
16 had filed the tax returns. Have you filed them?

17  
18 A. I think I already answered that question.

19 Q. Have you filed your tax returns?

20  
21 A. I think my answer is yes.

22 Q. Not whether you think, your answer --

23  
24 A. My answer is yes.

25 Q. And you are current for every year including this last year, the year 2001?

26  
27 A. To my knowledge my answer is yes.



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Q. Not to your knowledge. Have you filed a tax return, did you sign a 1040 or a 1040-A federal tax return and submit it to the IRS?

A. Okay. In my mind I'm going to respond to you by saying this, I believe that your question was asked and I already gave the answer.

Q. Have you filed a tax return for the year 2001?

A. I can't -- I cannot answer that question without reviewing the records as to whether or not I filed a return, but I believe that I have filed that return, yes, sir.

5. The aforesaid testimony of defendant JOHN J. RIZZO, as he then and there well knew and believed, was false in that defendant JOHN J. RIZZO had not filed with the Internal Revenue Service of the U.S. Department of Treasury an income tax return since at least 1995.

All in violation of Title 18, United States Code, Section 1623.

COUNT 3

The Grand Jury further charges and incorporates by reference the introductory allegations as if fully set forth herein:

1. On January 29, 2003, in the District of Arizona, the defendant CHERYL A. CULLY having taken an oath under penalty that he would testify truthfully, and while testifying before a grand jury in the District of Arizona, a grand jury of the United States duly empaneled and sworn in the District of Arizona, knowingly made false material declarations as set forth below.

1           2. At the time and place aforesaid, the Grand Jury was conducting an investigation  
2 of defendant John J. Rizzo and others for possible Title 26 tax violations, including, among  
3 other offenses, Income Tax Evasion in violation of Title 26, United States Code, Section  
4 7201.  
5

6           3. That it was material to said investigation to determine, among other things,  
7 whether defendant John J. Rizzo had earned unreported income, the source of that income  
8 and the manner and means of the disposition of any unreported income attributable to  
9 defendant John J. Rizzo.  
10

11           4. On January 29, 2003, in the District of Arizona, defendant CHERYL A. CULLY,  
12 appeared before the Grand Jury, and upon doing so and having been advised of her rights and  
13 having taken an oath that she would testify truthfully, did knowingly declare before the  
14 Grand Jury with respect to the aforesaid material matter, as follows:  
15

16           Q. Now there was an entity by the name of Millennium Publishing, was there not?  
17

18           A. Yes.  
19

20           Q. What was that?  
21

22           A. That's John's company, I guess, or you know.  
23

24           Q. Is that company filed or listed anywhere?  
25

26           A. I have no idea.  
27

28           Q. Do you know where it's actually physically located, where  
it does business from?

1 A. They used to have an office, but they vacated the office, rent reasons, I guess, I  
2 don't know, but I don't know where they're at now as opposed to who's  
3 working or what they're doing.  
4

5 \* \* \*

6 Q. Did you ever open a mailbox for the Rizzos or for yourself?  
7

8 A. No.  
9

9 \* \* \*

10 Q. And would you have opened a mailbox mail receptacle box then  
11 somewhere in Scottsdale?  
12

13 A. No.  
14

14 Q. Or anywhere else in the state?  
15

15 A. No.  
16

16 \* \* \*

17 Q. And you do not know where they live?  
18

19 A. I know they moved out of the house on Jomax and they moved into another  
20 house and I haven't been to this house yet.  
21

22 5. The aforesaid testimony of defendant CHERYL A. CULLY, as she then and  
23 there well knew and believed, was false in that defendant CHERYL A. CULLY 1) in truth  
24 and fact opened a mail receptacle box located at 8912 East Pinnacle Peak Road, #415,  
25 Scottsdale, Arizona, which was used by John and Carol Rizzo and 2) was a regular and  
26  
27  
28