

JOHN E. KUHN, JR.
United States Attorney

MICHAEL HEYMAN
Assistant United States Attorney
AHMED ALMUDALLAL
Trial Attorney, U.S. Department of Justice, Tax Division
Federal Building & U.S. Courthouse
222 West Seventh Avenue, Room 253, #9
Anchorage, Alaska 99513-7567
Phone: (907) 271-5071
Fax: (907) 271-1500
Email: Michael.Heyman@usdoj.gov
Ahmed.Almudallal@usdoj.gov

Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA,	)	No. 3:22-cr-00026-JMK-MMS
)	
Plaintiff,	)	<u>COUNT 1:</u>
	)	EVASION OF PAYMENT OF
vs.	)	INDIVIDUAL INCOME TAXES
	)	OWING FOR YEARS 2000-2003
GLENN E. LOCKWOOD and SARAY	)	Vio. of 26 U.S.C. § 7201
CONSUELO SARMIENTO)	
ANGARITA LOCKWOOD,	)	<u>COUNT 2:</u>
	)	EVASION OF PAYMENT OF
Defendants.	)	INDIVIDUAL INCOME TAXES
	)	OWING FOR YEARS 2004-2010
	)	Vio. of 26 U.S.C. § 7201
)	
	)	<u>COUNT 3:</u>
	)	CONSPIRACY TO DEFRAUD THE
	)	UNITED STATES
	)	Vio. of 18 U.S.C. § 371
)	
)	

-) COUNT 4:
-) BANKRUPTCY FRAUD
-) Vio. of 18 U.S.C. § 157
-)
-) COUNTS 5-9:
-) CONCEALMENT OF BANKRUPTCY
-) ASSETS
-) Vio. of 18 U.S.C. § 152(1)
-)
-) COUNTS 10-15:
-) FALSE OATH IN BANKRUPTCY
-) Vio. of 18 U.S.C. § 152(2)
-)
-) COUNTS 16-18:
-) FALSE BANKRUPTCY
-) DECLARATION
-) Vio. of 18 U.S.C. § 152(3)
-)
-) COUNTS 19-21:
-) FRAUDULENT PROOF OF CLAIM
-) IN BANKRUPTCY
-) Vio. of 18 U.S.C. § 152(4)
-)
-) COUNT 22:
-) CONSPIRACY TO COMMIT WIRE
-) FRAUD
-) Vio. of 18 U.S.C. § 1349
-)
-) COUNTS 23-73:
-) WIRE FRAUD
-) Vio. of 18 U.S.C. § 1343
-)
-) COUNT 74:
-) CONSPIRACY TO COMMIT MONEY
-) LAUNDERING
-) Vio. of 18 U.S.C. § 1956(h)
-)
-) COUNTS 75-84:
-) MONEY LAUNDERING
-) Vio. of 18 U.S.C. § 1956(a)(1)(B)(i)
-)
-)

-) CRIMINAL FORFEITURE
 -) ALLEGATION:
 -) Vio. of 18 U.S.C. § 981(a)(1); 18
 -) U.S.C. § 982(a)(1) and (2); 28 U.S.C. §
 -) 2461(c), and Rule 32.2(a)
 -)
-

INDICTMENT

The Grand Jury charges that:

Introductory Allegations

1. At all relevant times, defendant Glenn E. Lockwood (“GLENN LOCKWOOD”) was a dentist living and practicing in the Kenai Peninsula Borough.
2. At all relevant times, defendant Saray Consuelo Sarmiento Angarita Lockwood (“SARAY LOCKWOOD”) was living and working in the Kenai Peninsula Borough.
3. At all relevant times, defendants GLENN LOCKWOOD and SARAY LOCKWOOD were married.
4. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD own the Kenai Dental Clinic (the “Clinic”). The Clinic advertises itself to be a family dental practice located at 605 Marine Avenue, Kenai, Alaska. Defendant GLENN LOCKWOOD purchased the Clinic in 1997 and has owned it, now with SARAY LOCKWOOD, 100% since that time, with one exception not relevant to this indictment.
5. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD operate the Clinic and are employees of the Clinic. The Clinic has generated substantial gross

receipts for over two decades, typically ranging from approximately \$1 million to \$2 million per year. Both GLENN LOCKWOOD and SARAY LOCKWOOD receive salaries from the Clinic. In addition to their base salaries, defendants GLENN LOCKWOOD and SARAY LOCKWOOD received bonuses ranging from \$22,000 to \$70,000 per year. In 2018, they collectively received compensation from the Clinic totaling \$598,562.00. In April 2019, GLENN LOCKWOOD and SARAY LOCKWOOD represented that their total gross monthly income (including Social Security and other forms of income) was \$36,258.00 and that their net monthly income was \$18,071.00, resulting in at least approximately \$216,852.00 in annual net income.

6. In July 2015, the IRS notified defendants GLENN LOCKWOOD and SARAY LOCKWOOD that certain real properties, including the Clinic and parcels of undeveloped property in Alaska, would be seized and auctioned. The properties relevant to this indictment are:

- a. The real property located at 605 Marine Ave, Soldotna (the Clinic's address; "Property #1");
- b. The real property located at 607 Marine Ave, Soldotna (the parking lot adjacent to the Clinic, "Property #2");
- c. The real property located at 35640 Dana Bays Dr., Soldotna ("Property #3"); and
- d. The real property located at 36425 Edgington Rd, Soldotna ("Property #4").

7. In October 2008, defendant GLENN LOCKWOOD was convicted of tax evasion in violation of 26 U.S.C. § 7201 for tax years 2000, 2001, 2002, and 2003, *United States v. Lockwood*, 3:07-cr-00115-SLG (D. Alaska).

8. Thereafter, defendants GLENN LOCKWOOD and SARAY LOCKWOOD evaded the payment of at least \$3.5 million in federal income taxes, penalties, and interest, and engaged in the following conduct:

COUNT 1

26 U.S.C. § 7201 – Evasion of Payment of Taxes (2000-2003)
(Glenn Lockwood and Saray Lockwood)

9. The allegations above are realleged and incorporated as if fully set forth in this count.

10. From no later than May 21, 2013, through the present, within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did willfully attempt to evade and defeat the payment of individual income taxes due and owing by them to the United States of America for the years 2000 through 2003, by committing the following affirmative acts of evasion of payment, among others:

- a. From on or about May 21, 2013, through on or about September 29, 2015, setting up a profile for Strategic Innovations LLC (“Strategic Innovations”) with LegalZoom, registering a limited liability corporation in the same name in the State of Wyoming, and reinstating said registration;

- b. On or about October 6, 2015, opening business bank accounts at Wells Fargo Bank in the name of Strategic Innovations (“Strategic Innovations WFB”) for which the sole signers were GLENN LOCKWOOD and SARAY LOCKWOOD;
- c. On or about October 6, 2015, making an opening deposit into the Strategic Innovations WFB checking account XXX4977 in the amount of approximately \$102,791.02 using checks made out to GLENN E. LOCKWOOD and drawn on his investment account at Janus Henderson Investors (“Janus”);
- d. On or about October 6, 2015, making an opening deposit into the Strategic Innovations WFB savings account XXX8055 in the amount of \$40,113.95 using a check made out to GLENN E. LOCKWOOD and drawn on his retirement account at Columbia Management Investment Services, Corp. (aka Columbia Management, “Columbia”);
- e. On or about October 8, 2015, purchasing at IRS auction Property #2, Property #3, and Property #4 in the name of Strategic Innovations in an effort to conceal their true ownership interest;
- f. From on or about January 9, 2016, through on or about February 18, 2016, depositing a check in the amount of \$80,000 drawn on the Clinic’s account XXX4481 at First National Bank of Alaska

(“FNBA”) into GLENN LOCKWOOD and SARAY

LOCKWOOD’s joint account XXX2322 at the same bank, performing several transactions in and out of other accounts to conceal the source of the funds, and then withdrawing amounts in increments less than \$10,000 to avoid reporting requirements;

- g. From on or about January 11, 2016, through on or about February 18, 2016, depositing a total of approximately \$174,600 into Strategic Innovations WFB checking account XXX4977 and then, from on or about February 23, 2016, through on or about April 1, 2016, withdrawing a total of approximately \$174,100 in amounts less than \$10,000 to avoid reporting requirements;
- h. On or about April 4, 2016, redeeming (or repurchasing) Property #1 from a third party who had successfully purchased the property at IRS auction using a mortgage loan in the amount of approximately \$202,254.24, even though GLENN LOCKWOOD and SARAY LOCKWOOD possessed enough cash on hand to purchase the property outright, in an effort to encumber the property and frustrate any IRS effort to re-seize it;
- i. On or about December 29, 2016, submitting a draft Form 433-A (OIC) - Collection Information Statement for Wage Earners and Self-Employed Individuals - which failed to accurately depict all

personal assets, including, but not limited to, the Strategic Innovations WFB accounts and properties in the name of Strategic Innovations;

- j. From on or about June 27, 2017, through on or about September 29, 2020, causing transfers of funds from the Clinic's FNBA account XXX4481 into Strategic Innovations WFB checking account XXX4977;
- k. From on or about June 11, 2017, through on or about September 26, 2019, directing payments from Strategic Innovations WFB checking account XXX4977 to various creditors, including for personal expenses, in an effort to conceal and disguise the source, ownership, and control of said funds;
- l. On or about April 2, 2019, filing an Official Form 101 - Voluntary Petition for Individuals Filing for Bankruptcy - with the United States Bankruptcy Court, to hinder and delay IRS collection efforts to include, without limitation, seizure of GLENN LOCKWOOD and SARAY LOCKWOOD's primary residence;
- m. From April 2, 2019, through the present, misrepresenting their true ownership interest in Strategic Innovations throughout the bankruptcy case, including falsely testifying, under oath, during meetings of creditors on September 3, 8, and 16, 2020, that they had

no ownership interest in Strategic Innovations, and on October 13, 2020, that funds to purchase Property #2, Property #3, and Property #4 were borrowed from “family and friends” when GLENN LOCKWOOD and SARAY LOCKWOOD knew that they owned Strategic Innovations without limitation and that the true source of the funds were GLENN LOCKWOOD’s investment accounts;

- n. From no later than April 2019 through the present, paying personal expenses from the Clinic’s bank accounts and then filing bankruptcy documents misrepresenting their income.

All of which is in violation of 26 U.S.C. § 7201.

COUNT 2

26 U.S.C. § 7201 – Evasion of Payment of Taxes (2004-2010)
(Glenn Lockwood and Saray Lockwood)

11. The allegations above are realleged and incorporated as if fully set forth in this count.

12. From no later than May 21, 2013, through the present, within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did willfully attempt to evade and defeat the payment of individual income taxes due and owing by them to the United States of America for the years 2004 through 2010, by committing, among others, the affirmative acts of evasion of payment set forth in Count 1, ¶ 10, subsections “a” through “n.”

All of which is in violation of 26 U.S.C. § 7201.

COUNT 3

18 U.S.C. § 371 – Conspiracy to Defraud the United States
(Glenn Lockwood and Saray Lockwood)

13. The allegations above are realleged and incorporated as if fully set forth in this count.

14. Beginning no later than May 21, 2013, and continuing to the present, within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD, and others known and unknown to the Grand Jury, did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, and agree with each other and others known and unknown to the Grand Jury, to defraud the United States by deceitful and dishonest means for the purpose of impeding, impairing, obstructing, and defeating the lawful functions of the IRS in the collection of revenue, that is federal individual income taxes, and penalties and interest.

15. Among the manner and means by which defendants GLENN LOCKWOOD and SARAY LOCKWOOD and their unindicted co-conspirators, would and did carry out the objectives of the conspiracy were those overt acts set forth in Count 1, ¶ 10, subsections “a” through “n.”

All of which is in violation of 18 U.S.C. § 371.

COUNT 4

18 U.S.C. § 157 – Bankruptcy Fraud
(Glenn Lockwood and Saray Lockwood)

16. The allegations above are realleged and incorporated as if fully set forth in this count.

17. On or about April 2, 2019, within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD, having devised or intending to devise a scheme and artifice to defraud creditors, the United States Trustee, and the Chapter 7 Trustee, and for the purpose of executing or concealing such scheme or artifice, or attempting to do so, filed or caused to be filed a voluntary bankruptcy petition under Title 11 of the United States Code, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, and made false and fraudulent representations concerning and in relation to that proceeding.

Manner and Means

18. On or about February 15, 2019, the Department of Justice Civil Tax Division filed an action seeking judicial approval to levy GLENN LOCKWOOD's and SARAY LOCKWOOD's primary residence, *United States v. Glenn E Lockwood*, Case No 3:19-cv-00044-HRH (D. AK). The lawsuit was served on March 5, 2019.

19. After receiving service of the action, defendants GLENN LOCKWOOD and SARAY LOCKWOOD began executing a plan to utilize the bankruptcy process as a final means to fraudulently defeat the IRS's collection efforts rather than as a good faith mechanism to restructure or liquidate their assets in an orderly fashion.

20. On or about March 21, 2019, defendants GLENN LOCKWOOD and SARAY LOCKWOOD contacted bankruptcy attorney Terry Draeger for legal advice. Over the next approximate two weeks, they disclosed some details about their financial

affairs to Mr. Draeger, but deliberately concealed or intentionally distorted other crucial information. This included, among other things, concealing the true facts regarding the capitalization of Strategic Innovations. Mr. Draeger provided bankruptcy advice, but did so based on the incomplete and false information.

21. Defendants GLENN LOCKWOOD's and SARAY LOCKWOOD's plan was to file a Chapter 11 bankruptcy case, retain full control of their assets, and eliminate as much debt as possible without ever fully and truthfully disclosing their finances to the U.S. Trustee, creditors, and other parties to the proceeding. While in Chapter 11, the defendants GLENN LOCKWOOD and SARAY LOCKWOOD could further enjoy the fruits of their scheme, including undisclosed income from the Clinic and the use of assets that they had fraudulently transferred to purported third party entities. This intended scheme was contrary to the spirit and goals of the bankruptcy process.

22. On or about April 2, 2019, defendants GLENN LOCKWOOD and SARAY LOCKWOOD commenced a voluntary Chapter 11 reorganization, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska. The Chapter 11 bankruptcy case was filed under penalty of perjury. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD reviewed the paperwork for completeness prior to filing and were advised of their obligation to be truthful and transparent. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD were also aware that intentionally providing false, misleading, or incomplete information in the bankruptcy case was a federal crime.

23. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD, however, did not initiate their bankruptcy case in good faith, nor did they fully and truthfully engage in the bankruptcy process. Instead, they concealed their financial affairs with half-truths, vague characterizations, and or intentional omissions, and then provided false testimony and fraudulent documents to support their scheme. This includes, without limitation, the following:

Strategic Innovations, LLC

24. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD did not fully and truthfully disclose their ownership of Strategic Innovations. They owned and controlled Strategic Innovations without limitation, but claimed in their bankruptcy schedules that their interest was “100% through third party nominee” and that “Debtor may own as a third party nominee.” When questioned about the true nature of their ownership in Strategic Innovations, they deflected or made additional false statements to conceal the prior false statements. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD stated that their accountant Richard Happel was the 100% owner with full control over the entity, including its assets. They further stated that they had “loaned” Richard Happel all funds to capitalize Strategic Innovations, funds that were “borrowed from friends and family.” These representations were false and intended to conceal their true ownership of that entity, including the benefits derived from such ownership. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD then filed false proofs of claim against the bankruptcy estate to support these false statements.

Retirement and Investment Accounts

25. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD concealed their ownership of a retirement account at Columbia and an investment account at Janus. The two undisclosed accounts were collectively worth approximately \$20,803.78 on the bankruptcy petition date. Despite numerous opportunities to reveal the accounts during the bankruptcy, they kept them secret.

26. Keeping the assets (or funds, if liquidated) within the accounts, however, was not the primary motivation for the concealment. Continued concealment was necessary to maintain the false claims about the capitalization of Strategic Innovations. Despite claiming that Strategic Innovations was capitalized by loans obtained from friends and family, the funds from these retirement and investment accounts were used to capitalize Strategic Innovations.

27. On August 21, 2015, defendant GLENN LOCKWOOD contacted Columbia and Janus requesting liquidation of the accounts. Columbia and Janus complied with the liquidation request and sent to checks to defendant GLENN LOCKWOOD in the amounts of \$102,791.02 (Janus check numbers 41968, 41970, 41969) and \$40,113.95 (Columbia check number 5993809). A small amount of funds remained in the accounts.

28. On October 6, 2015, defendants GLENN LOCKWOOD and SARAY LOCKWOOD opened the two Strategic Innovations WFB accounts XXX4977 and XXX8055 by endorsing those checks directly into the new accounts. Defendants

GLENN LOCKWOOD and SARAY LOCKWOOD, via Strategic Innovations, then purchased Property #2, Property #3, and Property #4, through Strategic Innovations with those funds.

29. Had they disclosed the Columbia and Janus accounts, their scheme relating to Strategic Innovations would have unraveled.

Kenai Dental Clinic

30. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD disclosed their ownership of the Clinic in their bankruptcy schedules, but did not fully and truthfully disclose the full income or benefits derived from the Clinic, including the Clinic's payment of their personal expenses.

31. The Clinic paid for certain personal expenses with the Clinic's American Express corporate credit card. The Clinic also directly paid for the Lockwood's personal legal expenses, including to the law firms of Beatty & Draeger, the Dawson Law Group, LLC, Dorsey & Whitney, Ltd, and Hozubin, Moberly & Associates.

32. During the bankruptcy case, defendants GLENN LOCKWOOD and SARAY LOCKWOOD attempted to characterize some of these payments for personal expenses as "loans" when, in truth, the Clinic paid the personal expenses for no or less than equivalent consideration. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD failed to disclose this income or that they were utilizing the Clinic's bank accounts as their own.

33. In addition, defendants GLENN LOCKWOOD and SARAY LOCKWOOD failed to disclose how they used the Clinic as an instrumentality to engage in fraudulent conduct and conceal their financial affairs. This included diverting income away from the reach of creditors by directing the Clinic to pay fictitious parking expenses to Strategic Innovations, and then using those same funds in the Strategic Innovations WFB checking account XXX4977 to pay personal expenses. It also included using the Clinic as a vehicle to engage in numerous financial transactions designed to obfuscate the nature of their financial affairs and income.

Other Assets

34. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD concealed several other assets, including their cash on hand, social security income, and interest in a treasure hunting venture.

35. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD claimed to have \$906.00 on hand as of the date of the bankruptcy. In truth, their cash on hand greatly exceeded \$906.00.

36. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD claimed to have \$1,991.00 in monthly social security income as of the date of the bankruptcy. In truth, their social security income exceeded \$3,337.00 per month. In addition, they used an account opened in the name of their minor daughter to conceal the undisclosed funds.

37. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD failed to disclose their interest in a treasure hunting venture to find valuables, including gold, buried or hidden in the Philippines after World War II.

38. The U.S. Trustee attempted to obtain full disclosures from defendants GLENN LOCKWOOD and SARAY LOCKWOOD, regarding the aforementioned assets, including through formal discovery, but they did not fully cooperate or provided misleading or false information. After the Bankruptcy Court compelled defendants GLENN LOCKWOOD and SARAY LOCKWOOD to provide responses to formal discovery, they provided false information. Defendants GLENN LOCKWOOD and SARAY LOCKWOOD also amended their bankruptcy schedules and testified under oath during a meeting of creditors conducted pursuant to 11 U.S.C. § 341(a) about some of these issues, but never revealed the truth and provided additional false information.

39. On July 24, 2020, the bankruptcy case was converted to one under Chapter 7 and Kenneth Battley was appointed as the Chapter 7 Trustee. The Chapter 7 Trustee attempted to obtain full disclosures, but defendants GLENN LOCKWOOD and SARAY LOCKWOOD again concealed the truth, including during sworn meeting of creditor examinations.

40. On June 1, 2021, the U.S. Trustee filed an adversary proceeding seeking to deny GLENN LOCKWOOD's and SARAY LOCKWOOD's bankruptcy discharge, *United States Trustee v. Glenn and Saray Lockwood*, Adversary Case Number 19-00102, United States Bankruptcy Court, District of Alaska. The complaint alleged: (1)

concealment and transfer of assets, (2) inadequate records, (3) false oaths, and (4) failure to account of loss of assets.

41. On July 30, 2021, defendants GLENN LOCKWOOD and SARAY LOCKWOOD answered the complaint by denying the allegations and blaming their attorney for the errors contained in their bankruptcy schedules. The U.S. Trustee sought a waiver of the attorney-client privilege based on the advice of counsel defense, but GLENN LOCKWOOD and SARAY LOCKWOOD refused.

42. On October 11, 2021, defendants GLENN LOCKWOOD and SARAY LOCKWOOD moved to dismiss their bankruptcy case *without prejudice* to refiling. They stated that dismissal was warranted so that they could file an offer in compromise with the IRS to resolve the 2000 to 2003 tax debt that defendant GLENN LOCKWOOD had been convicted of evading and had already unsuccessfully appealed to the IRS.

43. On November 22, 2021, the Bankruptcy Court denied the motion to dismiss.

44. On December 6, 2021, defendants GLENN LOCKWOOD and SARAY LOCKWOOD executed a stipulation for dismissal of their bankruptcy case *with prejudice* to refiling and did not receive a discharge.

45. Therefore, although the scheme ultimately failed, defendants GLENN LOCKWOOD and SARAY LOCKWOOD deliberately delayed and frustrated IRS enforcement actions, continued to evade payment of their taxes, and committed bankruptcy fraud.

All of which is in violation of 18 U.S.C. § 157.

COUNT 5

18 U.S.C. § 152(1) – Concealment of Bankruptcy Assets
(Glenn Lockwood and Saray Lockwood)

46. The allegations above are realleged and incorporated as if fully set forth in this count.

47. Beginning on or about April 2, 2019, and continuing to the present, within the District of Alaska, and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did knowingly and fraudulently conceal property belonging to their bankruptcy estate from creditors and the United States Trustee in connection with the Chapter 11 bankruptcy case *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, and from the Chapter 7 Trustee charged with control and custody of property in that same bankruptcy case after it was converted to Chapter 7, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD concealed their financial assets, specifically the true amount of cash in their possession by falsely stating on their bankruptcy petition that they had \$906.00 cash.

All of which is in violation of 18 U.S.C. § 152(1).

COUNT 6

18 U.S.C. § 152(1) – Concealment of Bankruptcy Assets
(Glenn Lockwood and Saray Lockwood)

48. The allegations above are realleged and incorporated as if fully set forth in this count.

49. Beginning on or about April 2, 2019, and continuing to the present, within the District of Alaska, and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did knowingly and fraudulently conceal property belonging to their bankruptcy estate from creditors and the United States Trustee in connection with the Chapter 11 bankruptcy case *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, and from the Chapter 7 Trustee charged with control and custody of property in that same bankruptcy case after it was converted to Chapter 7, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD concealed their financial assets, specifically their interest in a venture to find valuables, including gold, buried or hidden in the Philippines after World War II.

All of which is in violation of 18 U.S.C. § 152(1).

COUNT 7

18 U.S.C. § 152(1) – Concealment of Bankruptcy Assets
(Glenn Lockwood and Saray Lockwood)

50. The allegations above are realleged and incorporated as if fully set forth in this count.

51. Beginning on or about April 2, 2019, and continuing through at least part of the bankruptcy case, within the District of Alaska, and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did knowingly and fraudulently conceal property belonging to their bankruptcy estate from creditors and the United States Trustee in connection with the Chapter 11 bankruptcy case *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of

Alaska, and from the Chapter 7 Trustee charged with control and custody of property in that same bankruptcy case after it was converted to Chapter 7, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD concealed their financial assets, specifically, their ownership of financial accounts held at Columbia and Janus.

All of which is in violation of 18 U.S.C. § 152(1).

COUNT 8

18 U.S.C. § 152(1) – Concealment of Bankruptcy Assets
(Glenn Lockwood and Saray Lockwood)

52. The allegations above are realleged and incorporated as if fully set forth in this count.

53. Beginning on or about April 2, 2019, and continuing to the present, within the District of Alaska, and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did knowingly and fraudulently conceal property belonging to their bankruptcy estate from creditors and the United States Trustee in connection with the Chapter 11 bankruptcy case *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, and from the Chapter 7 Trustee charged with control and custody of property in that same bankruptcy case after it was converted to Chapter 7, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD concealed their financial assets, specifically, their true ownership of Strategic Innovations.

All of which is in violation of 18 U.S.C. § 152(1).

//

COUNT 9

18 U.S.C. § 152(1) – Concealment of Bankruptcy Assets
(Glenn Lockwood and Saray Lockwood)

54. The allegations above are realleged and incorporated as if fully set forth in this count.

55. Beginning on or about April 2, 2019, and continuing to the present, within the District of Alaska, and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did knowingly and fraudulently conceal property belonging to their bankruptcy estate from creditors and the United States Trustee in connection with the Chapter 11 bankruptcy case *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, and from the Chapter 7 Trustee charged with control and custody of property in that same bankruptcy case after it was converted to Chapter 7, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD concealed their full receipt and ownership of social security benefits payments.

All of which is in violation of 18 U.S.C. § 152(1).

COUNT 10

18 U.S.C. § 152(2) – False Oath in Bankruptcy
(Glenn Lockwood)

56. The allegations above are realleged and incorporated as if fully set forth in this count.

57. On or about September 3, 2020, within the District of Alaska, defendant GLENN LOCKWOOD knowingly and fraudulently made a false material statement

under oath in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: on or about September 3, 2020, GLENN LOCKWOOD falsely testified under oath during a meeting of creditors that Richard Happel owned Strategic Innovations.

All of which is in violation of 18 U.S.C. § 152(2).

COUNT 11
18 U.S.C. § 152(2) – False Oath in Bankruptcy
(Glenn Lockwood)

58. The allegations above are realleged and incorporated as if fully set forth in this count.

59. On or about September 8, 2020, within the District of Alaska, defendant GLENN LOCKWOOD knowingly and fraudulently made a false material statement under oath in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: on or about September 8, 2020, GLENN LOCKWOOD falsely testified under oath during a meeting of creditors that Richard Happel owned Strategic Innovations after 2015.

All of which is in violation of 18 U.S.C. § 152(2).

//

//

//

COUNT 12

18 U.S.C. § 152(2) – False Oath in Bankruptcy
(Glenn Lockwood and Saray Lockwood)

60. The allegations above are realleged and incorporated as if fully set forth in this count.

61. On or about September 16, 2020, within the District of Alaska, defendants GLENN LOCKWOOD and SARAY LOCKWOOD knowingly and fraudulently made a false material statement under oath in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: on or about September 16, 2020, defendants GLENN LOCKWOOD and SARAY LOCKWOOD falsely testified under oath during a meeting of creditors that they had no interest in Strategic Innovations.

All of which is in violation of 18 U.S.C. § 152(2).

COUNT 13

18 U.S.C. § 152(2) – False Oath in Bankruptcy
(Glenn Lockwood)

62. The allegations above are realleged and incorporated as if fully set forth in this count.

63. On or about September 16, 2020, within the District of Alaska, defendant GLENN LOCKWOOD knowingly and fraudulently made a false material statement under oath in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: on or about September 16, 2020, defendant GLENN LOCKWOOD

falsely testified under oath during a meeting of creditors that he loaned Strategic Innovations the funds to purchase real estate.

All of which is in violation of 18 U.S.C. § 152(2).

COUNT 14
18 U.S.C. § 152(2) – False Oath in Bankruptcy
(Glenn Lockwood)

64. The allegations above are realleged and incorporated as if fully set forth in this count.

65. On or about October 13, 2020, within the District of Alaska, defendant GLENN LOCKWOOD knowingly and fraudulently made a false material statement under oath in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: on or about October 13, 2020, GLENN LOCKWOOD falsely testified under oath during a meeting of creditors that neither he nor SARAY LOCKWOOD had any interest in Strategic Innovations.

All of which is in violation of 18 U.S.C. § 152(2).

COUNT 15
18 U.S.C. § 152(2) – False Oath in Bankruptcy
(Glenn Lockwood)

66. The allegations above are realleged and incorporated as if fully set forth in this count.

67. On or about October 13, 2020, within the District of Alaska, defendant GLENN LOCKWOOD knowingly and fraudulently made a false material statement

under oath in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: on or about October 13, 2020, GLENN LOCKWOOD falsely testified under oath during a meeting of creditors that the money transferred to Strategic Innovations for the purchase of real estate was borrowed from family and friends.

All of which is in violation of 18 U.S.C. § 152(2).

COUNT 16

18 U.S.C. § 152(3) – False Bankruptcy Declaration
(Glenn Lockwood and Saray Lockwood)

68. The allegations above are realleged and incorporated as if fully set forth in this count.

69. On or about October 11, 2020, within the District of Alaska, defendants GLENN LOCKWOOD and SARAY LOCKWOOD knowingly and fraudulently made a material false declaration, certificate and verification under the penalty of perjury in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, by submitting an amended Schedules of Assets and Liabilities and a Statement of Financial Affairs, Bankruptcy Court Docket No. 125, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD falsely stated in the amended filing, Part 9, Question 23, that they held property on behalf of Strategic Innovations.

All of which is in violation of 18 U.S.C. § 152(3).

//

COUNT 17
18 U.S.C. § 152(3) – False Bankruptcy Declaration
(Glenn Lockwood and Saray Lockwood)

70. The allegations above are realleged and incorporated as if fully set forth in this count.

71. On or about May 7, 2021, within the District of Alaska, defendants GLENN LOCKWOOD and SARAY LOCKWOOD knowingly and fraudulently made a material false declaration, certificate and verification under the penalty of perjury in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD falsely verified under penalty of perjury that their response to the U.S. Trustee’s First Set of Written Deposition Interrogatories (Interrogatory Response No. 4), that Eva Angarita, Luis Sarmiento, and Jess T. Ellis provided the funds to GLENN LOCKWOOD and SARAY LOCKWOOD that Strategic Innovations used to purchase real property was true and correct.

All of which is in violation of 18 U.S.C. § 152(3).

COUNT 18
18 U.S.C. § 152(3) – False Bankruptcy Declaration
(Glenn Lockwood and Saray Lockwood)

72. The allegations above are realleged and incorporated as if fully set forth in this count.

73. On or about May 7, 2021, within the District of Alaska, defendants GLENN LOCKWOOD and SARAY LOCKWOOD knowingly and fraudulently made a

material false declaration, certificate and verification under the penalty of perjury in and in relation to a case under Title 11, *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, to wit: GLENN LOCKWOOD and SARAY LOCKWOOD falsely verified under penalty of perjury that their response to the U.S. Trustee's First Set of Written Deposition Interrogatories (Interrogatory Response No. 5), that Mr. Richard Happel was the 100% owner of the shares of Strategic Innovations and was free to do whatever he wished with the properties owned by Strategic Innovations was true and correct.

All of which is in violation of 18 U.S.C. § 152(3).

COUNT 19
18 U.S.C. § 152(4) – Fraudulent Proof of Claim
(Glenn Lockwood)

74. The allegations above are realleged and incorporated as if fully set forth in this count.

75. On or about December 2, 2020, within the District of Alaska, defendant GLENN LOCKWOOD knowingly and fraudulently presented a false claim, Claim 12-1, in the amount of \$25,000 for proof against the bankruptcy estate of *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, which sum purportedly was due for money loaned by Jess T. Ellis to the debtors, when in truth and in fact, as GLENN LOCKWOOD well knew, that Jess T. Ellis did not loan \$25,000 to the debtors as stated in the proof of claim.

All of which is in violation of 18 U.S.C. § 152(4).

COUNT 20
18 U.S.C. § 152(4) – Fraudulent Proof of Claim
(Saray Lockwood)

76. The allegations above are realleged and incorporated as if fully set forth in this count.

77. On or about December 2, 2020, within the District of Alaska, defendant SARAY LOCKWOOD knowingly and fraudulently presented a false claim, Claim 13-1, in the amount of \$10,000 for proof against the bankruptcy estate of *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, which sum purportedly was due for money loaned by Luis Sarmiento to the debtors, when in truth and in fact, as SARAY LOCKWOOD well knew, that Luis Sarmiento did not loan \$10,000 to the debtors as stated in the proof of claim.

All of which is in violation of 18 U.S.C. § 152(4).

COUNT 21
18 U.S.C. § 152(4) – Fraudulent Proof of Claim
(Saray Lockwood)

78. The allegations above are realleged and incorporated as if fully set forth in this count.

79. On or about December 2, 2020, within the District of Alaska, defendant SARAY LOCKWOOD knowingly and fraudulently presented a false claim, Claim 14-1, in the amount of \$30,000 for proof against the bankruptcy estate of *In re Glenn E. Lockwood and Saray C. Lockwood*, case number 19-00102, United States Bankruptcy Court, District of Alaska, which sum purportedly was due for money loaned by Eva

Angarita to the debtors, when in truth and in fact, as SARAY LOCKWOOD well knew, that Eva Angarita did not loan \$30,000 to the debtors as stated in the proof of claim.

All of which is in violation of 18 U.S.C. § 152(4).

COUNT 22
18 U.S.C. § 1349 – Conspiracy to Commit Wire Fraud
(Glenn Lockwood and Saray Lockwood)

80. The allegations above are realleged and incorporated as if fully set forth in this count.

81. Beginning no later than June 7, 2017, through approximately September 29, 2020, within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD, and others known and unknown to the Grand Jury, did knowingly and intentionally combine, conspire, confederate, and agree with each other to commit the offense of wire fraud in violation of 18 U.S.C. § 1343, to wit: GLENN LOCKWOOD, SARAY LOCKWOOD, and others, knowingly and intentionally conspired to execute through the use of the wires in interstate commerce a scheme and artifice to defraud, and obtain money and property by means of false or fraudulent pretenses, representations, and promises, and by concealment of material facts, and at least one overt act was taken in furtherance of the illegal purpose.

All of which is in violation of 18 U.S.C. § 1349.

//

//

//

COUNTS 23-73
18 U.S.C. § 1343 – Wire Fraud
(Glenn Lockwood and Saray Lockwood)

82. The allegations above are realleged and incorporated as if fully set forth in this count.

83. On or about the dates set forth in the separate counts below, within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD did knowingly, and with intent to defraud, devise and intend to devise a scheme and artifice to defraud as to a material matter and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, and, for the purpose of executing such scheme and artifice and attempting to do so, did transmit and cause to be transmitted, by means of wire communication in interstate commerce, certain writings, signs and signals, namely, causing the following wire transfers from the Clinic’s FNBA Account XXX4481 to Strategic Innovations Wells Fargo Account XXX4977:

COUNT	DATE	CHECK NUMBER	AMOUNT
23	6/7/2017	Check 8159	\$500.00
24	6/7/2017	Check 8160	\$500.00
25	6/7/2017	Check 8161	\$500.00
26	6/7/2017	Check 8162	\$500.00
27	6/7/2017	Check 8163	\$500.00
28	6/7/2017	Check 8281	\$500.00
29	6/7/2017	Check 8279	\$500.00
30	6/7/2017	Check 8280	\$500.00
31	8/29/2017	Check 8188	\$700.00
32	8/29/2017	Check 8187	\$700.00
33	8/29/2017	Check 8199	\$700.00
34	1/16/2018	Check 8394	\$500.00

35	1/16/2018	Check 8393	\$500.00
36	1/16/2018	Check 8392	\$500.00
37	1/16/2018	Check 8391	\$500.00
38	2/5/2018	Check 8398	\$800.00
39	6/14/2018	Check 8190	\$800.00
40	6/14/2018	Check 8352	\$800.00
41	6/14/2018	Check 8191	\$800.00
42	6/14/2018	Check 8351	\$800.00
43	4/4/2019	Check 8014	\$800.00
44	4/4/2019	Check 8016	\$800.00
45	4/4/2019	Check 8015	\$800.00
46	5/8/2019	Check 8019	\$800.00
47	5/8/2019	Check 8021	\$800.00
48	5/8/2019	Check 8023	\$800.00
49	5/30/2019	Check 2114	\$800.00
50	5/30/2019	Check 2112	\$800.00
51	5/30/2019	Check 2113	\$800.00
52	5/30/2019	Check 2111	\$800.00
53	7/1/2019	Check 8180	\$800.00
54	7/1/2019	Check 8181	\$800.00
55	7/1/2019	Check 8182	\$800.00
56	7/1/2019	Check 8183	\$800.00
57	7/1/2019	Check 8185	\$800.00
58	7/1/2019	Check 8184	\$800.00
59	9/18/2019	Check 8130	\$800.00
60	9/18/2019	Check 8134	\$800.00
61	9/18/2019	Check 8133	\$800.00
62	10/2/2019	Check 8135	\$800.00
63	12/2/2019	Check 8136	\$800.00
64	1/3/2020	Check 8137	\$800.00
65	1/3/2020	Check 8234	\$700.00
66	2/18/2020	Check 8138	\$800.00
67	4/3/2020	Check 8096	\$800.00
68	4/3/2020	Check 8139	\$800.00
69	6/11/2020	Check 8300	\$800.00
70	7/31/2020	Check 8187	\$800.00
71	8/19/2020	Check 8275	\$800.00
72	8/27/2020	Check 8195	\$800.00
73	9/29/2020	Check 8376	\$800.00

All of which is in violation of 18 U.S.C. § 1343.

Page 32 of 37

COUNT 74

18 U.S.C. § 1956(h) – Conspiracy to Commit Money Laundering
(Glenn Lockwood and Saray Lockwood)

84. The allegations above are realleged and incorporated as if fully set forth in this count.

85. Beginning no later than approximately June 2017, and continuing to on or about September 29, 2020, within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD willfully and knowingly conspired and agreed together and with each other, and with others known and unknown to the Grand Jury, to commit certain offenses under 18 U.S.C. § 1956, to wit: to knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, which transaction involved the proceeds of specified unlawful activity, that is, wire fraud in violation of 18 U.S.C. § 1343 and bankruptcy fraud in violation of 18 U.S.C. § 152, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activities.

All of which is in violation of 18 U.S.C. § 1956(h).

COUNTS 75-84

18 U.S.C. § 1956(a)(1)(B)(i) – Money Laundering
(Glenn Lockwood and Saray Lockwood)

86. The allegations above are realleged and incorporated as if fully set forth in this count.

87. On or about the dates listed below within the District of Alaska and elsewhere, defendants GLENN LOCKWOOD and SARAY LOCKWOOD, and others known and unknown to the Grand Jury, knowing that the property involved in the financial transactions listed below represented the proceeds of some form of unlawful activity, knowingly and willfully conducted and caused to be conducted the financial transactions designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of unlawful activity, which was wire fraud in violation of 18 U.S.C. § 1343 and bankruptcy fraud in violation of 18 U.S.C. § 152, and each transaction affected interstate commerce, in that defendants GLENN LOCKWOOD and SARAY LOCKWOOD made or directed the making of payments from the Strategic Innovations WFB checking account XXX4977 as identified below:

Count	Date	Financial Transaction/ Institution	Amount
75	9/11/2017	Payment from Strategic Innovations to Capital One Online via Business ACH Debit	\$1,131.44
76	9/21/2017	Payment from Strategic Innovations, Check No. 1250, to Saray Lockwood	\$1,695.24
77	11/8/2017	Payment from Strategic Innovations to Capital One Online Business ACH Debit	\$719.27
78	4/2/2018	Payment from Strategic Innovations Capital One Credit Card via Online Business ACH Debit	\$1,138.88
79	8/29/2018	Payment from Strategic Innovations, Check No. 1251, to Saray Lockwood	\$1,930.71
80	8/30/2018	Payment from Strategic Innovations, Check No. 1151, to Sterling Moose River Kennel	\$92.70
81	9/26/2019	Payment from Strategic Innovations, Check No. 1252, to Kenai Peninsula Borough	\$110
82	9/26/2019	Payment from Strategic Innovations, Check No. 1253, to Kenai Peninsula Borough	\$1,570.70
83	9/26/2019	Payment from Strategic Innovations, Check No. 1254, to Kenai Peninsula Borough	\$186.84

84	9/26/2019	Payment from Strategic Innovations, Check No. 1255, to Kenai Peninsula Borough	\$512.52
----	-----------	---	----------

All of which is in violation of 18 U.S.C. § 1956(a)(1)(B)(i).

CRIMINAL FORFEITURE ALLEGATION

The allegations contained in Counts 4-84 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to 18 U.S.C. § 981(a)(1); 18 U.S.C. § 982(a)(1) and (2); 28 U.S.C. § 2461(c); and Rule 32.2(a) of the Federal Rules of Criminal Procedure.

Upon conviction of the offenses in violation of 18 U.S.C. §§ 152 and 157, as set forth in Counts 4-21 of this Indictment, defendants GLENN LOCKWOOD and SARAY LOCKWOOD shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, that constitutes or is derived from any proceeds obtained, directly or indirectly, as a result of such violations.

Upon conviction of the offenses in violation of 18 U.S.C. § 1343, as set forth in Counts 23-73 of this Indictment, defendants GLENN LOCKWOOD and SARAY LOCKWOOD shall forfeit to the United States pursuant to 18 U.S.C. §§ 981(a)(1)(D) and 982(a)(2), any property, real or personal, that constitutes or is derived from any proceeds obtained, directly or indirectly, as a result of such violations, or which represents or is traceable to the gross receipts obtained, directly or indirectly, from such violations.

Upon conviction of the offenses in violation of 18 U.S.C. § 1956, as set forth in Counts 74-84 of this Indictment, defendants GLENN LOCKWOOD and SARAY LOCKWOOD shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), any

property, real or personal, involved in such offense or attempted offense, constituting, derived from, or traceable to such property, and any property used or intended to be used in any manner or part to commit or facilitate the commission of a violation.

If any of the property subject to forfeiture, as a result of any act or omission of the Defendants GLENN LOCKWOOD or SARAY LOCKWOOD:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or 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,

the United States of America shall be entitled to a money judgement or forfeiture of substitute property pursuant to 21 U.S.C. § 853(p).

//

//

//

//

//

//

//

All pursuant to 18 U.S.C. § 981(a)(1); 18 U.S.C. § 982(a)(1) and (2); 28 U.S.C. § 2461(c); and Rule 32.2(a) of the Federal Rules of Criminal Procedure.

A TRUE BILL.

s/ Grand Jury Foreperson
GRAND JURY FOREPERSON

s/ Michael J. Heyman
MICHAEL J. HEYMAN
Assistant U.S. Attorney
United States of America

s/ John E. Kuhn, Jr.
JOHN E. KUHN, JR.
United States Attorney
United States of America

DATE: April 20, 2022