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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

February 2009 Grand Jury

UNITED STATES OF AMERICA,	)	Case No. <u>08CR4229-JLS</u>
)	
Plaintiff,	)	<u>I N D I C T M E N T</u>
	)	(Superseding)
v.)	
	)	Title 18, U.S.C.,
WESTERN TITANIUM, INC. (1)	)	Secs. 38(a)(1)(A), (B) and (C) -
MACH 2 METALS, INC. (2)(6)H	)	Fraud Involving Aircraft or
DANIEL SCHROEDER (3)(2)H	)	Space Vehicle in Interstate
BRIAN MISAK (4)(3)H	)	Commerce; Title 18, U.S.C.,
JOHN COTNER (5)(4)H	)	Sec. 38(a)(3) - Conspiracy to
CHEEM ANG (6)(5)H	)	Commit Fraud Involving Aircraft
	)	or Space Vehicle in Interstate
Defendants.	)	Commerce; Title 18, U.S.C.,
	)	Sec. 2 - Aiding and Abetting

The grand jury charges:

Count 1

CONSPIRACY

1. At all times relevant to this indictment:

a. Defendant WESTERN TITANIUM, INC. was a California Corporation located within the Southern District of California.

b. Defendant MACH 2 METALS, INC. was a Florida corporation wholly owned by WESTERN TITANIUM, INC., and was operated as a D.B.A. of WESTERN TITANIUM, INC. Defendant DANIEL SCHROEDER was the owner, operator and Chief Executive Officer of MACH 2 METALS, INC.

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1 c. Defendant DANIEL SCHROEDER was the owner, operator and
2 Chief Executive Officer of WESTERN TITANIUM, INC.

3 d. Defendant JOHN COTNER was employed as the Vice
4 President of Sales of WESTERN TITANIUM, INC.

5 e. Defendant BRIAN MISAK was employed as a sales
6 representative of WESTERN TITANIUM, INC., and MACH 2 METALS, INC.

7 f. Defendant CHEEM ANG was employed as the Quality
8 Assurance Manager of WESTERN TITANIUM, INC., and MACH 2 METALS, INC.

9 g. WESTERN TITANIUM, INC. and MACH 2 METALS, INC. operated
10 as suppliers of titanium metal, and generated revenue by selling
11 titanium metal to various manufacturers of aircraft and spacecraft
12 parts and components.

13 h. Some of the manufacturers to whom WESTERN TITANIUM sold
14 titanium metal included Merco Manufacturing Company, Inc., Schuur
15 Metals and Deutsch Metal Components.

16 i. One of the manufacturers to whom MACH 2 METALS sold
17 titanium metal included Senior Aerospace Jet Products.

18 j. The above-mentioned customers of WESTERN TITANIUM, INC.
19 and MACH 2 METALS, INC. were engaged in the manufacture of engine
20 mounts and other aircraft parts. These various aircraft parts were
21 then sold to the Boeing Corporation ("Boeing"), Northrop Grumman Space
22 Division, Airbus and Pratt-Whitney, and used on various military
23 aircraft, commercial aircraft and spacecraft, including, but not
24 limited to the F-15, FA-18, C-17, AV8 Harrier, and F-22 aircraft used
25 by the United States Military and Department of Defense.

26 2. As part of a conspiracy and beginning on a date unknown to
27 the grand jury, but no later than 2002, and continuing up to and
28 including July of 2007, within the Southern District of California and

1 elsewhere, defendants WESTERN TITANIUM, INC., MACH 2 METALS, INC.,
2 DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER, and CHEEM ANG did
3 knowingly and intentionally conspire and agree with each other, and
4 other persons known and unknown to the grand jury, to commit fraud
5 involving aircraft parts in interstate commerce by knowingly and with
6 the intent to defraud, falsifying and concealing material facts
7 concerning aircraft parts, make materially fraudulent representations
8 concerning aircraft and space vehicle parts, and make and use
9 materially false writings, entries, certifications, documents and
10 records concerning aircraft part, in violation of Title 18, United
11 States Code, Sections 38(a)(1)(A), (B) and (C).

12 3. It is further alleged, pursuant to Title 18, United States
13 Code, Section 38(b)(1), that the offenses described above relate to
14 the aviation quality of the subject parts and the parts were installed
15 in an aircraft or spacecraft.

16 MANNER AND MEANS

17 In furtherance of this conspiracy and to effect the objects
18 thereof, the Defendants utilized the following Manner and Means, among
19 others:

20 4. Defendants falsely certified to Merco Manufacturing Company,
21 Inc., Schuur Metals, and other buyers of titanium, that the titanium
22 they were purchasing met the specification of MIL-T-9046, which
23 requires a rolled plate product, when in fact it did not meet the
24 requirements of the MIL-T-9046 specification. Instead, Defendants
25 knowingly, and with the intent to defraud, substituted an intermediate
26 form of forged slab or billet material that did not meet the
27 requirements of MIL-T-9046.

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1 5. Defendants falsely certified to buyers of titanium, that the
2 titanium they were purchasing met aerospace and industry
3 specifications, including but not limited to the specifications of
4 MIL-T-9046, MIL-T-9047, AMS-9047, AMS 4928Q, AMS 4928R, DMS 1592, and
5 AMS-6931, when in fact it did not meet the requirements of these
6 aerospace and industry specifications. Instead, Defendants knowingly,
7 and with the intent to defraud, substituted an intermediate form of
8 forged slab or billet material that did not meet the requirements of
9 the above-listed specifications. In addition, Defendants designed
10 their Certifications of Analysis and Compliance to deliberately
11 mislead their customers and the end users of the titanium product they
12 were selling as to what type of titanium product they were purchasing.

13 6. Defendants falsely certified to Deutsch Metal Components,
14 and other buyers of titanium, that the titanium they were purchasing
15 had been tested pursuant to and met the requirements of specification
16 AMS-4965. Instead, Defendants knowingly, and with the intent to
17 defraud, used and directed others to use testing procedures which were
18 in direct violation of the testing requirements outlined in the
19 specification AMS-4965 and designed to ensure that all samples
20 submitted for testing would pass the stringent testing requirements
21 for AMS-4965.

22 7. Defendants falsely certified to Schuur Metals, and other
23 buyers of titanium, that the titanium they were purchasing had been
24 tested pursuant to and met the requirements of specification MIL-T-
25 9046 AB-1. Defendants knowingly, and with the intent to defraud,
26 substituted forged bar titanium as meeting the minimum requirements
27 of specification MIL-T-9046, which requires a rolled plate product.
28 As a result, Schuur Metals supplied the titanium certified by

1 Defendants to Ball Aerospace and Technology Corporation. Based on
2 Defendants' false certification to Schuur, Schuur issued its own
3 certification to Ball Aerospace and Technology Corporation on May 5,
4 2005, indicating that the material it was supplying to Ball Aerospace
5 complied with the minimum requirements of MIL-T-9046 AB1. Ball
6 Aerospace then used the falsely certified titanium to build the Spider
7 Hub Assembly, which was installed in NASA's Kepler Spacecraft that was
8 launched in early 2009.

9 8. In order to support and justify the false certifications
10 supplied to Merco Manufacturing Company, Inc., Deutsch Metal
11 Components, and other purchasers of titanium, Defendants directed
12 others to conduct testing procedures that were specifically designed
13 to manipulate the results of testing and falsely demonstrate the
14 strength, mechanical and/or chemical properties of the titanium
15 supplied.

16 9. Defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
17 MISAK, JOHN COTNER, and CHEEM ANG caused the United States Air Force
18 to unwittingly purchase, receive, and place into serviceable stock for
19 use on the F-15 aircraft, engine mounts made from substandard and non-
20 conforming titanium.

21 10. In addition, at least two of the engine mounts produced from
22 the substandard and non-conforming titanium outlined above were
23 installed on two separate F-15 aircraft in active use by the United
24 States Air Force.

25 11. Defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
26 MISAK, JOHN COTNER, and CHEEM ANG also caused the United States Air
27 Force, The Boeing Corporation, Northrop Grumman, and other end users
28 of the titanium certified as meeting the requirements of specification

1 AMS-4965 to purchase, receive, and place into serviceable stock for
2 use on the C-17 aircraft, the F-22 Aircraft, and the Joint Strike
3 Fighter Aircraft, swage ring fittings made from titanium that had
4 never been tested pursuant to the requirements of AMS-4965.

5 All in violation of Title 18, United States Code, Section 38(a)(3).

6 Count 2

7 FRAUD INVOLVING AIRCRAFT PARTS

8 12. On or about April 6, 2006, within the Southern District of
9 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
10 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
11 defraud, falsify and conceal a material fact concerning aircraft
12 parts, make materially fraudulent representations concerning aircraft
13 and space vehicle parts and did make and use a materially false
14 writing, entry, certification, document and record concerning an
15 aircraft part, in that defendants revised and re-issued the
16 Certificate of Compliance that was originally issued by WESTERN
17 TITANIUM, INC., on July 24, 2002, falsely stating the date that it had
18 been revised and that the titanium specified in such Certificate of
19 Compliance met the minimum requirements of specification MIL-T-9046,
20 and had not been forged; all in violation of Title 18, United States
21 Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States
22 Code, Section 2. It is further alleged, pursuant to Title 18, United
23 States Code, Section 38(b)(1), that the offenses described above
24 relate to the aviation quality of the subject parts and the parts were
25 installed in an aircraft or spacecraft.

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2 Count 3

3 FRAUD INVOLVING AIRCRAFT PARTS

4 13. On or about April 14, 2004, within the Southern District of
5 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
6 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
7 defraud, falsify and conceal a material fact concerning aircraft
8 parts, make materially fraudulent representations concerning aircraft
9 and space vehicle parts and did make and use a materially false
10 writing, entry, certification, document and record concerning an
11 aircraft part, in that defendants revised and re-issued the
12 Certificate of Compliance that was originally issued by WESTERN
13 TITANIUM, INC., on September 9, 2002 falsely stating that the titanium
14 specified in such Certificate of Compliance met the minimum
15 requirements of specification MIL-T-9046. The revised certificate of
16 compliance also falsely stated that the titanium specified in such
17 Certificate of Compliance had been "ultrasonically inspected per
18 PS21211 Cla A1 and found acceptable"; all in violation of Title 18,
19 United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18,
20 United States Code, Section 2. It is further alleged, pursuant to
21 Title 18, United States Code, Section 38(b)(1), that the offenses
22 described above relate to the aviation quality of the subject parts
23 and the parts were installed in an aircraft or spacecraft.

24 Count 4

25 FRAUD INVOLVING AIRCRAFT PARTS

26 14. On or about August 28, 2002, within the Southern District
27 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
28 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
to defraud, falsify and conceal a material fact concerning aircraft

1 parts, make materially fraudulent representations concerning aircraft
2 parts and did make and use a materially false writing, entry,
3 certification, document and record concerning an aircraft part, in
4 that defendants issued a Certificate of Compliance by WESTERN
5 TITANIUM, INC., on August 28, 2002 falsely stating that the titanium
6 specified in such Certificate of Compliance met the minimum
7 requirements of specification MIL-T-9046. The certificate of
8 compliance also falsely stated that the titanium specified in such
9 Certificate of Compliance had been "ultrasonically inspected per
10 PS21211 Cla A1 and found acceptable"; all in violation of Title 18,
11 United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18,
12 United States Code, Section 2. It is further alleged, pursuant to
13 Title 18, United States Code, Section 38(b)(1), that the offenses
14 described above relate to the aviation quality of the subject parts
15 and the parts were installed in an aircraft or spacecraft.

16 Count 5

17 FRAUD INVOLVING SPACECRAFT PARTS

18 15. On or about May 4, 2005, within the Southern District of
19 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
20 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
21 defraud, falsify and conceal a material fact concerning aircraft
22 parts, make materially fraudulent representations concerning aircraft
23 and space vehicle parts, and did make and use a materially false
24 writing, entry, certification, document and record concerning an
25 aircraft part, in that defendants issued a Certificate of Analysis to
26 Schuur Metals falsely stating that the titanium specified in such
27 Certificate of Compliance (Heat No. N831) met the minimum requirements
28 of specification MIL-T-9046J AB-1; all in violation of Title 18,

1 United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18,
2 United States Code, Section 2. It is further alleged, pursuant to
3 Title 18, United States Code, Section 38(b)(1), that the offenses
4 described above relate to the aviation quality of the subject parts
5 and the parts were installed in an aircraft or spacecraft.

6 Count 6

7 FRAUD INVOLVING AIRCRAFT PARTS

8 16. On or about September 29, 2004, within the Southern District
9 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
10 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
11 to defraud, falsify and conceal a material fact concerning aircraft
12 parts, make materially fraudulent representations concerning aircraft
13 and space vehicle parts, and did make and use a materially false
14 writing, entry, certification, document and record concerning an
15 aircraft part, in that defendants stamped and certified a Test Report
16 from Atlas Testing Laboratories to Deutsch Metal Components, that
17 falsely stated that the titanium specified in such test report (Heat
18 No. L535) had been tested in accordance with and passed the minimum
19 requirements of specification AMS-4965. The above described stamp and
20 certification by Defendants was created with intent to defraud Deutsch
21 Metal Components, Boeing, and the United States Air Force into
22 believing that the titanium they had purchased from Western Titanium
23 had been heat treated and tested in accordance with AMS-4965 when in
24 fact it had heat treated separately from the sample submitted for
25 testing **and was never tested**; all in violation of Title 18, United
26 States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United
27 States Code, Section 2. It is further alleged, pursuant to Title 18,
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1 United States Code, Section 38(b)(1), that the offenses described
2 above relate to the aviation quality of the subject parts and the
3 parts were installed in an aircraft or spacecraft.

4 Count 7

5 FRAUD INVOLVING AIRCRAFT PARTS

6 17. On or about July 7, 2004, within the Southern District of
7 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
8 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
9 defraud, falsify and conceal a material fact concerning aircraft
10 parts, make materially fraudulent representations concerning aircraft
11 and space vehicle parts, and did make and use a materially false
12 writing, entry, certification, document and record concerning an
13 aircraft part, in that defendants stamped and certified a Test Report
14 from Atlas Testing Laboratories to Deutsch Metal Components, that
15 falsely stated that the titanium specified in such test report (Heat
16 No. 01989DA) had been tested in accordance with and passed the minimum
17 requirements of specification AMS-4965. The above described stamp and
18 certification by Defendants was created with intent to defraud Deutsch
19 Metal Components into believing that the titanium they had purchased
20 from Western Titanium had been heat treated and tested in accordance
21 with AMS-4965 when in fact it had heat treated separately from the
22 sample submitted for testing **and was never tested**; all in violation
23 of Title 18, United States Code, Section 38(a)(1)(A), (B) and (C) and
24 Title 18, United States Code, Section 2. It is further alleged,
25 pursuant to Title 18, United States Code, Section 38(b)(1), that the
26 offenses described above relate to the aviation quality of the subject
27 parts and the parts were installed in an aircraft or spacecraft.

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Count 8FRAUD INVOLVING AIRCRAFT PARTS

18. On or about May 11, 2004, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that defendants stamped and certified a Test Report from Atlas Testing Laboratories to Deutsch Metal Components, that falsely stated that the titanium specified in such test report (Heat No. L248) had been tested in accordance with and passed the minimum requirements of specification AMS-4965. The above described stamp and certification by Defendants was created with intent to defraud Deutsch Metal Components into believing that the titanium they had purchased from Western Titanium had been heat treated and tested in accordance with AMS-4965 when in fact it had heat treated separately from the sample submitted for testing **and was never tested**; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C) and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 9

FRAUD INVOLVING AIRCRAFT PARTS

19. On or about May 12, 2004, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that defendants stamped and certified a Test Report from Atlas Testing Laboratories to Deutsch Metal Components, that falsely stated that the titanium specified in such test report (Heat No. H3097) had been tested in accordance with and passed the minimum requirements of specification AMS-4965. The above described stamp and certification by Defendants was created with intent to defraud Deutsch Metal Components all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

Count 10

FRAUD INVOLVING AIRCRAFT PARTS

20. On or about April 29, 2003, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft

1 and space vehicle parts, and did make and use a materially false
2 writing, entry, certification, document and record concerning an
3 aircraft part, in that Defendants issued a Certification of
4 Conformance that falsely stated that the titanium specified in such
5 Certification of Conformance (Heat No. 955U) had been processed in
6 accordance with and met all requirements of specification DMS-1592.
7 The above described certification by Defendants was created with
8 intent to defraud Pioneer Machine Company into believing that the
9 titanium they had purchased from Western Titanium had been processed
10 and met all requirements of DMS-1592, when in fact it did not. In
11 truth and in fact, Defendants substituted an intermediate form of
12 titanium product known as billet, slab, or block, cut down and
13 machined to appear to be a finished rolled plate product, that did not
14 meet the requirements of DMS-1592; all in violation of Title 18,
15 United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18,
16 United States Code, Section 2. It is further alleged, pursuant to
17 Title 18, United States Code, Section 38(b)(1), that the offenses
18 described above relate to the aviation quality of the subject parts
19 and the parts were installed in an aircraft or spacecraft.

20 Count 11

21 FRAUD INVOLVING AIRCRAFT PARTS

22 21. On or about April 29, 2003, within the Southern District of
23 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
24 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
25 defraud, falsify and conceal a material fact concerning aircraft
26 parts, make materially fraudulent representations concerning aircraft
27 and space vehicle parts, and did make and use a materially false
28 writing, entry, certification, document and record concerning an

1 aircraft part, in that Defendants issued a Certification of
2 Conformance that falsely stated that the titanium specified in such
3 Certification (Heat No. 637Y) had been processed in accordance with
4 and met all requirements of specification DMS-1592. The above
5 described certification by Defendants was created with intent to
6 defraud Pioneer Machine Company into believing that the titanium they
7 had purchased from Western Titanium had been processed and met all
8 requirements of DMS-1592, when in fact it did not. In truth and in
9 fact, Defendants substituted an intermediate form of titanium product
10 known as billet, slab or block, cut down and machined to appear to be
11 a finished rolled plate product, that did not meet the requirements
12 of DMS-1592; all in violation of Title 18, United States Code,
13 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
14 Section 2. It is further alleged, pursuant to Title 18, United States
15 Code, Section 38(b)(1), that the offenses described above relate to
16 the aviation quality of the subject parts and the parts were installed
17 in an aircraft or spacecraft.

18 Count 12

19 FRAUD INVOLVING AIRCRAFT PARTS

20 22. On or about December 10, 2003, within the Southern District
21 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
22 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
23 to defraud, falsify and conceal a material fact concerning aircraft
24 parts, make materially fraudulent representations concerning aircraft
25 and space vehicle parts, and did make and use a materially false
26 writing, entry, certification, document and record concerning an
27 aircraft part, in that Defendants issued a Certification of
28 Conformance that falsely stated that the titanium specified in such

1 Certification(Heat No. 848Y) had been processed in accordance with and
2 met all requirements of specification DMS-1592. The above described
3 certification by Defendants was created with intent to defraud Pioneer
4 Machine Company into believing that the titanium they had purchased
5 from Western Titanium had been processed and met all requirements of
6 DMS-1592, when in fact it did not. In truth and in fact, Defendants
7 substituted an intermediate form of titanium product known as billet,
8 slab or block, cut down and machined to appear to be a finished rolled
9 plate product, that did not meet the requirements of DMS-1592; all in
10 violation of Title 18, United States Code, Sections 38(a)(1)(A), (B)
11 and (C), and Title 18, United States Code, Section 2. It is further
12 alleged, pursuant to Title 18, United States Code, Section 38(b)(1),
13 that the offenses described above relate to the aviation quality of
14 the subject parts and the parts were installed in an aircraft or
15 spacecraft.

16 Count 13

17 FRAUD INVOLVING AIRCRAFT PARTS

18 23. On or about December 10, 2003, within the Southern District
19 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
20 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
21 to defraud, falsify and conceal a material fact concerning aircraft
22 parts, make materially fraudulent representations concerning aircraft
23 and space vehicle parts, and did make and use a materially false
24 writing, entry, certification, document and record concerning an
25 aircraft part, in that Defendants issued a Certification of
26 Conformance that falsely stated that the titanium specified in such
27 Certification(Heat No. 950L) had been processed in accordance with and
28 met all requirements of specification DMS-1592. The above described

1 certification by Defendants was created with intent to defraud Pioneer
2 Machine Company into believing that the titanium they had purchased
3 from Western Titanium had been processed and met all requirements of
4 DMS-1592, when in fact it did not. In truth and in fact, Defendants
5 substituted an intermediate form of titanium product known as billet,
6 slab or block, cut down and machined to appear to be a finished rolled
7 plate product, that did not meet the requirements of DMS-1592; all in
8 violation of Title 18, United States Code, Sections 38(a)(1)(A), (B)
9 and (C), and Title 18, United States Code, Section 2. It is further
10 alleged, pursuant to Title 18, United States Code, Section 38(b)(1),
11 that the offenses described above relate to the aviation quality of
12 the subject parts and the parts were installed in an aircraft or
13 spacecraft.

14 Count 14

15 FRAUD INVOLVING AIRCRAFT PARTS

16 24. On or about December 10, 2003, within the Southern District
17 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
18 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
19 to defraud, falsify and conceal a material fact concerning aircraft
20 parts, make materially fraudulent representations concerning aircraft
21 and space vehicle parts, and did make and use a materially false
22 writing, entry, certification, document and record concerning an
23 aircraft part, in that Defendants issued a Certification of
24 Conformance that falsely stated that the titanium specified in such
25 Certification(Heat No. 884U) had been processed in accordance with and
26 met all requirements of specification DMS-1592. The above described
27 certification by Defendants was created with intent to defraud Pioneer
28 Machine Company into believing that the titanium they had purchased

1 from Western Titanium had been processed and met all requirements of
2 DMS-1592, when in fact it did not. In truth and in fact, Defendants
3 substituted an intermediate form of titanium product known as billet,
4 slab or block, cut down and machined to appear to be a finished rolled
5 plate product, that did not meet the requirements of DMS-1592; all in
6 violation of Title 18, United States Code, Sections 38(a)(1)(A), (B)
7 and (C), and Title 18, United States Code, Section 2. It is further
8 alleged, pursuant to Title 18, United States Code, Section 38(b)(1),
9 that the offenses described above relate to the aviation quality of
10 the subject parts and the parts were installed in an aircraft or
11 spacecraft.

12 Count 15

13 FRAUD INVOLVING AIRCRAFT PARTS

14 25. On or about April 2, 2003, within the Southern District of
15 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
16 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
17 defraud, falsify and conceal a material fact concerning aircraft
18 parts, make materially fraudulent representations concerning aircraft
19 and space vehicle parts, and did make and use a materially false
20 writing, entry, certification, document and record concerning an
21 aircraft part, in that Defendants issued a Certification of
22 Conformance that falsely stated that the titanium specified in such
23 Certification (Heat No. 884U) had been processed in accordance with
24 and met all requirements of specification MIL-T-9046. The above
25 described certification by Defendants was created with intent to
26 defraud Pioneer Machine Company into believing that the titanium they
27 had purchased from Western Titanium had been processed and met all
28 requirements of MIL-T-9046, when in fact it did not. In truth and in

1 fact, Defendants substituted an intermediate form of titanium product
2 known as billet, slab or block, cut down and machined to appear to be
3 a finished rolled plate product, that did not meet the requirements
4 of MIL-T-9046; all in violation of Title 18, United States Code,
5 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
6 Section 2. It is further alleged, pursuant to Title 18, United States
7 Code, Section 38(b)(1), that the offenses described above relate to
8 the aviation quality of the subject parts and the parts were installed
9 in an aircraft or spacecraft.

10 Count 16

11 FRAUD INVOLVING AIRCRAFT PARTS

12 26. On or about January 14, 2003, within the Southern District
13 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
14 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
15 to defraud, falsify and conceal a material fact concerning aircraft
16 parts, make materially fraudulent representations concerning aircraft
17 and space vehicle parts, and did make and use a materially false
18 writing, entry, certification, document and record concerning an
19 aircraft part, in that Defendants issued a Certification of
20 Conformance that falsely stated that the titanium specified in such
21 Certification (Heat No. 634U) had been processed in accordance with
22 and met all requirements of specification MIL-T-9046. The above
23 described certification by Defendants was created with intent to
24 defraud Pioneer Machine Company into believing that the titanium they
25 had purchased from Western Titanium had been processed and met all
26 requirements of MIL-T-9046, when in fact it did not. In truth and in
27 fact, Defendants substituted an intermediate form of titanium product
28 known as billet, slab or block, cut down and machined to appear to be

1 a finished rolled plate product, that did not meet the requirements
2 of MIL-T-9046; all in violation of Title 18, United States Code,
3 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
4 Section 2. It is further alleged, pursuant to Title 18, United States
5 Code, Section 38(b)(1), that the offenses described above relate to
6 the aviation quality of the subject parts and the parts were installed
7 in an aircraft or spacecraft.

8 Count 17

9 FRAUD INVOLVING AIRCRAFT PARTS

10 27. On or about January 14, 2003, within the Southern District
11 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
12 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
13 to defraud, falsify and conceal a material fact concerning aircraft
14 parts, make materially fraudulent representations concerning aircraft
15 and space vehicle parts, and did make and use a materially false
16 writing, entry, certification, document and record concerning an
17 aircraft part, in that Defendants issued a Certification of
18 Conformance that falsely stated that the titanium specified in such
19 Certification (Heat No. 637U) had been processed in accordance with
20 and met all requirements of specification MIL-T-9046. The above
21 described certification by Defendants was created with intent to
22 defraud Pioneer Machine Company into believing that the titanium they
23 had purchased from Western Titanium had been processed and met all
24 requirements of MIL-T-9046, when in fact it did not. In truth and in
25 fact, Defendants substituted an intermediate form of titanium product
26 known as billet, slab or block, cut down and machined to appear to be
27 a finished rolled plate product, that did not meet the requirements
28 of MIL-T-9046; all in violation of Title 18, United States Code,

1 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
2 Section 2. It is further alleged, pursuant to Title 18, United States
3 Code, Section 38(b)(1), that the offenses described above relate to
4 the aviation quality of the subject parts and the parts were installed
5 in an aircraft or spacecraft.

6 Count 18

7 FRAUD INVOLVING AIRCRAFT PARTS

8 28. On or about July 29, 2003, within the Southern District of
9 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
10 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
11 defraud, falsify and conceal a material fact concerning aircraft
12 parts, make materially fraudulent representations concerning aircraft
13 and space vehicle parts, and did make and use a materially false
14 writing, entry, certification, document and record concerning an
15 aircraft part, in that Defendants issued a Certification of
16 Conformance that falsely stated that the titanium specified in such
17 Certification (Heat No. 637Y) had been processed in accordance with
18 and met all requirements of specification MIL-T-9047. The above
19 described certification by Defendants was created with intent to
20 defraud Pioneer Machine Company into believing that the titanium they
21 had purchased from Western Titanium had been processed and met all
22 requirements of MIL-T-9047, when in fact it did not. In truth and in
23 fact, Defendants substituted an intermediate form of titanium product
24 known as billet, slab or block, cut down and machined to appear to be
25 a finished forged bar product, that did not meet the requirements of
26 MIL-T-9047; all in violation of Title 18, United States Code, Sections
27 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
28 It is further alleged, pursuant to Title 18, United States Code,

1 Section 38(b)(1), that the offenses described above relate to the
2 aviation quality of the subject parts and the parts were installed in
3 an aircraft or spacecraft.

4 Count 19

5 FRAUD INVOLVING AIRCRAFT PARTS

6 29. On or about July 29, 2003, within the Southern District of
7 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
8 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
9 defraud, falsify and conceal a material fact concerning aircraft
10 parts, make materially fraudulent representations concerning aircraft
11 and space vehicle parts, and did make and use a materially false
12 writing, entry, certification, document and record concerning an
13 aircraft part, in that Defendants issued a Certification of
14 Conformance that falsely stated that the titanium specified in such
15 Certification (Heat No. 788Y) had been processed in accordance with
16 and met all requirements of specification MIL-T-9047. The above
17 described certification by Defendants was created with intent to
18 defraud Pioneer Machine Company into believing that the titanium they
19 had purchased from Western Titanium had been processed and met all
20 requirements of MIL-T-9047, when in fact it did not. In truth and in
21 fact, Defendants substituted an intermediate form of titanium product
22 known as billet, slab or block, cut down and machined to appear to be
23 a finished forged bar product, that did not meet the requirements of
24 MIL-T-9047; all in violation of Title 18, United States Code, Sections
25 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
26 It is further alleged, pursuant to Title 18, United States Code,
27 Section 38(b)(1), that the offenses described above relate to the

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1 aviation quality of the subject parts and the parts were installed in
2 an aircraft or spacecraft.

3 Count 20

4 FRAUD INVOLVING AIRCRAFT PARTS

5 30. On or about July 29, 2003, within the Southern District of
6 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
7 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
8 defraud, falsify and conceal a material fact concerning aircraft
9 parts, make materially fraudulent representations concerning aircraft
10 and space vehicle parts, and did make and use a materially false
11 writing, entry, certification, document and record concerning an
12 aircraft part, in that Defendants issued a Certification of
13 Conformance that falsely stated that the titanium specified in such
14 Certification (Heat No. 746Y) had been processed in accordance with
15 and met all requirements of specification MIL-T-9047. The above
16 described certification by Defendants was created with intent to
17 defraud Pioneer Machine Company into believing that the titanium they
18 had purchased from Western Titanium had been processed and met all
19 requirements of MIL-T-9047, when in fact it did not. In truth and in
20 fact, Defendants substituted an intermediate form of titanium product
21 known as billet, slab or block, cut down and machined to appear to be
22 a finished forged bar product, that did not meet the requirements of
23 MIL-T-9047; all in violation of Title 18, United States Code, Sections
24 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
25 It is further alleged, pursuant to Title 18, United States Code,
26 Section 38(b)(1), that the offenses described above relate to the
27 aviation quality of the subject parts and the parts were installed in
28 an aircraft or spacecraft.

Count 21FRAUD INVOLVING AIRCRAFT PARTS

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3 31. On or about July 29, 2003, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 956U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9047. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9047, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished forged bar product, that did not meet the requirements of
21 MIL-T-9047; all in violation of Title 18, United States Code, Sections
22 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
23 It is further alleged, pursuant to Title 18, United States Code,
24 Section 38(b)(1), that the offenses described above relate to the
25 aviation quality of the subject parts and the parts were installed in
26 an aircraft or spacecraft.

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Count 22FRAUD INVOLVING AIRCRAFT PARTS

32. On or about July 29, 2003, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 747Y) had been processed in accordance with and met all requirements of specification MIL-T-9047. The above described certification by Defendants was created with intent to defraud Pioneer Machine Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9047, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of MIL-T-9047; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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1 Count 232 FRAUD INVOLVING AIRCRAFT PARTS

3 33. On or about September 18, 2003, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 747Y) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 24FRAUD INVOLVING AIRCRAFT PARTS

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3 34. On or about September 17, 2003, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 848Y) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 25FRAUD INVOLVING AIRCRAFT PARTS

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3 35. On or about September 17, 2003, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 955U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 26

FRAUD INVOLVING AIRCRAFT PARTS

36. On or about March 11, 2003, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 635U) had been processed in accordance with and met all requirements of specification MIL-T-9046. The above described certification by Defendants was created with intent to defraud Pioneer Machine Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9046, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished rolled plate product, that did not meet the requirements of MIL-T-9046; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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1 Count 27

2 FRAUD INVOLVING AIRCRAFT PARTS

3 37. On or about September 17, 2003, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 638U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 28FRAUD INVOLVING AIRCRAFT PARTS

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3 38. On or about February 25, 2003, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 636U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 29FRAUD INVOLVING AIRCRAFT PARTS

39. On or about February 25, 2003, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 637U) had been processed in accordance with and met all requirements of specification MIL-T-9046. The above described certification by Defendants was created with intent to defraud Pioneer Machine Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9046, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished rolled plate product, that did not meet the requirements of MIL-T-9046; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 30FRAUD INVOLVING AIRCRAFT PARTS

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3 40. On or about January 23, 2003, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 682U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 31FRAUD INVOLVING AIRCRAFT PARTS

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3 41. On or about July 9, 2002, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 368U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9047. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9047, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished forged bar product, that did not meet the requirements of
21 MIL-T-9047; all in violation of Title 18, United States Code, Sections
22 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
23 It is further alleged, pursuant to Title 18, United States Code,
24 Section 38(b)(1), that the offenses described above relate to the
25 aviation quality of the subject parts and the parts were installed in
26 an aircraft or spacecraft.

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Count 32FRAUD INVOLVING AIRCRAFT PARTS

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3 42. On or about July 12, 2002, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 448U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 33FRAUD INVOLVING AIRCRAFT PARTS

43. On or about June 5, 2002, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 366U) had been processed in accordance with and met all requirements of specification MIL-T-9046. The above described certification by Defendants was created with intent to defraud Pioneer Machine Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9046, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished rolled plate product, that did not meet the requirements of MIL-T-9046; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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1 Count 34

2 FRAUD INVOLVING AIRCRAFT PARTS

3 44. On or about January 14, 2002, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 817M) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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1 Count 35

2 FRAUD INVOLVING AIRCRAFT PARTS

3 45. On or about December 14, 2001, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 775M) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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1 Count 36

2 FRAUD INVOLVING AIRCRAFT PARTS

3 46. On or about January 14, 2002, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 073U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 37FRAUD INVOLVING AIRCRAFT PARTS

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3 47. On or about January 14, 2002, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. HC11482) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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1 Count 38

2 FRAUD INVOLVING AIRCRAFT PARTS

3 48. On or about January 25, 2002, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. HC11918) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046H. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046H, when in fact it did not. In truth and
18 in fact, Defendants substituted an intermediate form of titanium
19 product known as billet, slab or block, cut down and machined to
20 appear to be a finished rolled plate product, that did not meet the
21 requirements of MIL-T-9046H; all in violation of Title 18, United
22 States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United
23 States Code, Section 2. It is further alleged, pursuant to Title 18,
24 United States Code, Section 38(b)(1), that the offenses described
25 above relate to the aviation quality of the subject parts and the
26 parts were installed in an aircraft or spacecraft.

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Count 39FRAUD INVOLVING AIRCRAFT PARTS

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3 49. On or about June 4, 2002, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 366U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9047. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9047, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished forged bar product, that did not meet the requirements of
21 MIL-T-9047; all in violation of Title 18, United States Code, Sections
22 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
23 It is further alleged, pursuant to Title 18, United States Code,
24 Section 38(b)(1), that the offenses described above relate to the
25 aviation quality of the subject parts and the parts were installed in
26 an aircraft or spacecraft.

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1 Count 40

2 FRAUD INVOLVING AIRCRAFT PARTS

3 50. On or about June 4, 2002, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 817M) had been processed in accordance with
13 and met all requirements of specification MIL-T-9047. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9047, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished forged bar product, that did not meet the requirements of
21 MIL-T-9047; all in violation of Title 18, United States Code, Sections
22 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
23 It is further alleged, pursuant to Title 18, United States Code,
24 Section 38(b)(1), that the offenses described above relate to the
25 aviation quality of the subject parts and the parts were installed in
26 an aircraft or spacecraft.

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Count 41FRAUD INVOLVING AIRCRAFT PARTS

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3 51. On or about May 30, 2002, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 366U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9047. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9047, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished forged bar product, that did not meet the requirements of
21 MIL-T-9047; all in violation of Title 18, United States Code, Sections
22 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2.
23 It is further alleged, pursuant to Title 18, United States Code,
24 Section 38(b)(1), that the offenses described above relate to the
25 aviation quality of the subject parts and the parts were installed in
26 an aircraft or spacecraft.

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1 Count 42

2 FRAUD INVOLVING AIRCRAFT PARTS

3 52. On or about October 15, 2002, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 634U) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Pioneer Machine Company into believing that the titanium they
16 had purchased from Western Titanium had been processed and met all
17 requirements of MIL-T-9046, when in fact it did not. In truth and in
18 fact, Defendants substituted an intermediate form of titanium product
19 known as billet, slab or block, cut down and machined to appear to be
20 a finished rolled plate product, that did not meet the requirements
21 of MIL-T-9046; all in violation of Title 18, United States Code,
22 Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code,
23 Section 2. It is further alleged, pursuant to Title 18, United States
24 Code, Section 38(b)(1), that the offenses described above relate to
25 the aviation quality of the subject parts and the parts were installed
26 in an aircraft or spacecraft.

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Count 43FRAUD INVOLVING AIRCRAFT PARTS

53. On or about October 15, 2002, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 242Y) had been processed in accordance with and met all requirements of specification MIL-T-9046. The above described certification by Defendants was created with intent to defraud Pioneer Machine Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9046, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished rolled plate product, that did not meet the requirements of MIL-T-9046; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 44

FRAUD INVOLVING AIRCRAFT PARTS

54. On or about February 25, 2002, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 073U) had been processed in accordance with and met all requirements of specification MIL-T-9046. The above described certification by Defendants was created with intent to defraud Central Ozark Machine Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9046, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished rolled plate product, that did not meet the requirements of MIL-T-9046; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 45FRAUD INVOLVING AIRCRAFT PARTS

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3 55. On or about February 25, 2002, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 817M) had been processed in accordance with
13 and met all requirements of specification MIL-T-9046. The above
14 described certification by Defendants was created with intent to
15 defraud Central Ozark Machine Company into believing that the titanium
16 they had purchased from Western Titanium had been processed and met
17 all requirements of MIL-T-9046, when in fact it did not. In truth and
18 in fact, Defendants substituted an intermediate form of titanium
19 product known as billet, slab or block, cut down and machined to
20 appear to be a finished rolled plate product, that did not meet the
21 requirements of MIL-T-9046; all in violation of Title 18, United
22 States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United
23 States Code, Section 2. It is further alleged, pursuant to Title 18,
24 United States Code, Section 38(b)(1), that the offenses described
25 above relate to the aviation quality of the subject parts and the
26 parts were installed in an aircraft or spacecraft.

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Count 46FRAUD INVOLVING AIRCRAFT PARTS

56. On or about June 3, 2002, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 341M) had been processed in accordance with and met all requirements of specification MIL-T-9047. The above described certification by Defendants was created with intent to defraud Merco Manufacturing Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9047, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of MIL-T-9047; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 47FRAUD INVOLVING AIRCRAFT PARTS

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3 57. On or about June 3, 2002, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 921E) had been processed in accordance with
13 and met all requirements of specification MIL-T-9047. The above
14 described certification by Defendants was created with intent to
15 defraud Merco Manufacturing Company into believing that the titanium
16 they had purchased from Western Titanium had been processed and met
17 all requirements of MIL-T-9047, when in fact it did not. In truth and
18 in fact, Defendants substituted an intermediate form of titanium
19 product known as billet, slab or block, cut down and machined to
20 appear to be a finished forged bar product, that did not meet the
21 requirements of MIL-T-9047; all in violation of Title 18, United
22 States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United
23 States Code, Section 2. It is further alleged, pursuant to Title 18,
24 United States Code, Section 38(b)(1), that the offenses described
25 above relate to the aviation quality of the subject parts and the
26 parts were installed in an aircraft or spacecraft.

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Count 48FRAUD INVOLVING AIRCRAFT PARTS

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3 58. On or about July 7, 2007, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification that falsely
11 stated that the titanium specified in such Certification (Heat No.
12 Y38X) had been processed in accordance with and met all requirements
13 of specification AMS-4928. The above described certification by
14 Defendants was created with intent to defraud Berkshire Industries
15 into believing that the titanium they had purchased from Western
16 Titanium had been processed and met all requirements of AMS-4928, when
17 in fact it did not. In truth and in fact, Defendants substituted an
18 intermediate form of titanium product known as billet, slab or block,
19 cut down and machined to appear to be a finished forged bar product,
20 that did not meet the requirements of AMS-4928; all in violation of
21 Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and
22 Title 18, United States Code, Section 2. It is further alleged,
23 pursuant to Title 18, United States Code, Section 38(b)(1), that the
24 offenses described above relate to the aviation quality of the subject
25 parts and the parts were installed in an aircraft or spacecraft.

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Count 49FRAUD INVOLVING SPACECRAFT PARTS

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3 59. On or about June 15, 2007, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification that falsely
11 stated that the titanium specified in such Certification (Heat No.
12 Y11X) had been processed in accordance with and met all requirements
13 of specification AMS-6931. The above described certification by
14 Defendants was created with intent to defraud LT Industries into
15 believing that the titanium they had purchased from Western Titanium
16 had been processed and met all requirements of AMS-6931, when in fact
17 it did not. In truth and in fact, Defendants substituted an
18 intermediate form of titanium product known as billet, slab or block,
19 cut down and machined to appear to be a finished forged bar product,
20 that did not meet the requirements of AMS-6931; all in violation of
21 Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and
22 Title 18, United States Code, Section 2. It is further alleged,
23 pursuant to Title 18, United States Code, Section 38(b)(1), that the
24 offenses described above relate to the aviation quality of the subject
25 parts and the parts were installed in an aircraft or spacecraft.

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1 Count 50

2 FRAUD INVOLVING SPACECRAFT PARTS

3 60. On or about May 9, 2007, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification that falsely
11 stated that the titanium specified in such Certification (Heat No.
12 Y62L) had been processed in accordance with and met all requirements
13 of specification AMS-6931. The above described certification by
14 Defendants was created with intent to defraud Rousseau Precision
15 Machine into believing that the titanium they had purchased from
16 Western Titanium had been processed and met all requirements of AMS-
17 6931, when in fact it did not. In truth and in fact, Defendants
18 substituted an intermediate form of titanium product known as billet,
19 slab or block, cut down and machined to appear to be a finished forged
20 bar product, that did not meet the requirements of AMS-6931; all in
21 violation of Title 18, United States Code, Sections 38(a)(1)(A), (B)
22 and (C), and Title 18, United States Code, Section 2. It is further
23 alleged, pursuant to Title 18, United States Code, Section 38(b)(1),
24 that the offenses described above relate to the aviation quality of
25 the subject parts and the parts were installed in an aircraft or
26 spacecraft.

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Count 51FRAUD INVOLVING SPACECRAFT PARTS

61. On or about January 26, 2007, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification that falsely stated that the titanium specified in such Certification (Heat No. Y49F) had been processed in accordance with and met all requirements of specification AMS-9047. The above described certification by Defendants was created with intent to defraud Rousseau Precision Machine into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of AMS-9047, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-9047; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 52FRAUD INVOLVING SPACECRAFT PARTS

62. On or about February 5, 2007, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification that falsely stated that the titanium specified in such Certification (Heat No. Y57K) had been processed in accordance with and met all requirements of specification AMS-9047. The above described certification by Defendants was created with intent to defraud Rousseau Precision Machine into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of AMS-9047, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-9047; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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1 Count 53

2 FRAUD INVOLVING SPACECRAFT PARTS

3 63. On or about March 22, 2007, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification that falsely
11 stated that the titanium specified in such Certification (Heat No.
12 Y67M) had been processed in accordance with and met all requirements
13 of specification AMS-9047. The above described certification by
14 Defendants was created with intent to defraud Rousseau Precision
15 Machine into believing that the titanium they had purchased from
16 Western Titanium had been processed and met all requirements of AMS-
17 9047, when in fact it did not. In truth and in fact, Defendants
18 substituted an intermediate form of titanium product known as billet,
19 slab or block, cut down and machined to appear to be a finished forged
20 bar product, that did not meet the requirements of AMS-9047; all in
21 violation of Title 18, United States Code, Sections 38(a)(1)(A), (B)
22 and (C), and Title 18, United States Code, Section 2. It is further
23 alleged, pursuant to Title 18, United States Code, Section 38(b)(1),
24 that the offenses described above relate to the aviation quality of
25 the subject parts and the parts were installed in an aircraft or
26 spacecraft.

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Count 54

FRAUD INVOLVING AIRCRAFT PARTS

64. On or about August 20, 2002, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. 471M) had been processed in accordance with and met all requirements of specification MIL-T-9046. The above described certification by Defendants was created with intent to defraud Wolfe Machine Company into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of MIL-T-9046, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished rolled plate product, that did not meet the requirements of MIL-T-9046; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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1 Count 55

2 FRAUD INVOLVING AIRCRAFT PARTS

3 65. On or about December 12, 2003, within the Southern District
4 of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER,
5 BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent
6 to defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. 774Y) had been processed in accordance with
13 and met all requirements of specification DMS-1592. The above
14 described certification by Defendants was created with intent to
15 defraud Prescott Aerospace Company into believing that the titanium
16 they had purchased from Western Titanium had been processed and met
17 all requirements of DMS-1592, when in fact it did not. In truth and
18 in fact, Defendants substituted an intermediate form of titanium
19 product known as billet, slab or block, cut down and machined to
20 appear to be a finished rolled plate product, that did not meet the
21 requirements of DMS-1592; all in violation of Title 18, United States
22 Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States
23 Code, Section 2. It is further alleged, pursuant to Title 18, United
24 States Code, Section 38(b)(1), that the offenses described above
25 relate to the aviation quality of the subject parts and the parts were
26 installed in an aircraft or spacecraft.

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Count 56FRAUD INVOLVING AIRCRAFT PARTS

66. On or about August 21, 2007, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. Y94X) had been processed in accordance with and met all requirements of specification AMS-4928. The above described certification by Defendants was created with intent to defraud Precision Aircraft into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of AMS-4928, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-4928; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 57FRAUD INVOLVING AIRCRAFT PARTS

67. On or about August 21, 2007, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. Y94X, Purchase Order No. 15338) had been processed in accordance with and met all requirements of specification AMS-4928. The above described certification by Defendants was created with intent to defraud Precision Aircraft into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of AMS-4928, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-4928; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 58FRAUD INVOLVING AIRCRAFT PARTS

68. On or about August 1, 2007, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. Y94X, Purchase Order No. 15158) had been processed in accordance with and met all requirements of specification AMS-4928. The above described certification by Defendants was created with intent to defraud Precision Aircraft into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of AMS-4928, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-4928; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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1 Count 59

2 FRAUD INVOLVING AIRCRAFT PARTS

3 69. On or about July 13, 2007, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. Y94X, Purchase Order No. 14575) had been
13 processed in accordance with and met all requirements of specification
14 AMS-4928. The above described certification by Defendants was created
15 with intent to defraud Precision Aircraft into believing that the
16 titanium they had purchased from Western Titanium had been processed
17 and met all requirements of AMS-4928, when in fact it did not. In
18 truth and in fact, Defendants substituted an intermediate form of
19 titanium product known as billet, slab or block, cut down and machined
20 to appear to be a finished forged bar product, that did not meet the
21 requirements of AMS-4928; all in violation of Title 18, United States
22 Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States
23 Code, Section 2. It is further alleged, pursuant to Title 18, United
24 States Code, Section 38(b)(1), that the offenses described above
25 relate to the aviation quality of the subject parts and the parts were
26 installed in an aircraft or spacecraft.

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Count 60FRAUD INVOLVING AIRCRAFT PARTS

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3 70. On or about May 9, 2007, within the Southern District of
4 California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN
5 MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to
6 defraud, falsify and conceal a material fact concerning aircraft
7 parts, make materially fraudulent representations concerning aircraft
8 and space vehicle parts, and did make and use a materially false
9 writing, entry, certification, document and record concerning an
10 aircraft part, in that Defendants issued a Certification of
11 Conformance that falsely stated that the titanium specified in such
12 Certification (Heat No. Y11X, Purchase Order No. 13810) had been
13 processed in accordance with and met all requirements of specification
14 AMS-4928. The above described certification by Defendants was created
15 with intent to defraud Precision Aircraft into believing that the
16 titanium they had purchased from Western Titanium had been processed
17 and met all requirements of AMS-4928, when in fact it did not. In
18 truth and in fact, Defendants substituted an intermediate form of
19 titanium product known as billet, slab or block, cut down and machined
20 to appear to be a finished forged bar product, that did not meet the
21 requirements of AMS-4928; all in violation of Title 18, United States
22 Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States
23 Code, Section 2. It is further alleged, pursuant to Title 18, United
24 States Code, Section 38(b)(1), that the offenses described above
25 relate to the aviation quality of the subject parts and the parts were
26 installed in an aircraft or spacecraft.

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Count 61FRAUD INVOLVING AIRCRAFT PARTS

71. On or about July 26, 2007, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. Y94X, Purchase Order No. 102665) had been processed in accordance with and met all requirements of specification AMS-4928. The above described certification by Defendants was created with intent to defraud Barry Controls into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of AMS-4928, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-4928; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 62FRAUD INVOLVING AIRCRAFT PARTS

72. On or about July 11, 2007, within the Southern District of California, defendants WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification of Conformance that falsely stated that the titanium specified in such Certification (Heat No. HC-14024, Purchase Order No. 98303) had been processed in accordance with and met all requirements of specification AMS-4928. The above described certification by Defendants was created with intent to defraud Barry Controls into believing that the titanium they had purchased from Western Titanium had been processed and met all requirements of AMS-4928, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-4928; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above relate to the aviation quality of the subject parts and the parts were installed in an aircraft or spacecraft.

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Count 63FRAUD INVOLVING AIRCRAFT PARTS

73. On or about June 15, 2007, within the Southern District of California, defendants MACH 2 METALS, INC. D.B.A. WESTERN TITANIUM, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did knowingly and with intent to defraud, falsify and conceal a material fact concerning aircraft parts, make materially fraudulent representations concerning aircraft and space vehicle parts, and did make and use a materially false writing, entry, certification, document and record concerning an aircraft part, in that Defendants issued a Certification that falsely stated that the titanium specified in such Certification (Heat No. Y20N), Purchase Order No. 114406) had been processed in accordance with and met all requirements of specification AMS-4928. The above described certification by Defendants was created with intent to defraud Senior Aerospace Jet Products and Pratt-Whitney into believing that the titanium purchased from Western Titanium D.B.A. Mach 2 Metals had been processed and met all requirements of AMS-4928, when in fact it did not. In truth and in fact, Defendants substituted an intermediate form of titanium product known as billet, slab or block, cut down and machined to appear to be a finished forged bar product, that did not meet the requirements of AMS-4928; all in violation of Title 18, United States Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States Code, Section 2. It is further alleged, pursuant to Title 18, United States Code, Section 38(b)(1), that the offenses described above

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1 relate to the aviation quality of the subject parts and the parts were
2 installed in an aircraft or spacecraft. The titanium at issue in this
3 count was used to make rings installed on Pratt-Whitney aircraft
4 engines.

5 Count 64

6 FRAUD INVOLVING AIRCRAFT PARTS

7 74. On or about May 31, 2007, within the Southern District of
8 California, defendants MACH 2 METALS, INC. D.B.A. WESTERN TITANIUM,
9 INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER and CHEEM ANG did
10 knowingly and with intent to defraud, falsify and conceal a material
11 fact concerning aircraft parts, make materially fraudulent
12 representations concerning aircraft and space vehicle parts, and did
13 make and use a materially false writing, entry, certification,
14 document and record concerning an aircraft part, in that Defendants
15 issued a Certification that falsely stated that the titanium specified
16 in such Certification (Heat No. Y10X), Purchase Order No. 114406) had
17 been processed in accordance with and met all requirements of
18 specification AMS-4928. The above described certification by
19 Defendants was created with intent to defraud Senior Aerospace Jet
20 Products and Pratt-Whitney into believing that the titanium purchased
21 from Western Titanium D.B.A. Mach 2 Metals had been processed and met
22 all requirements of AMS-4928, when in fact it did not. In truth and
23 in fact, Defendants substituted an intermediate form of titanium
24 product known as billet, slab or block, cut down and machined to
25 appear to be a finished forged bar product, that did not meet the
26 requirements of AMS-4928; all in violation of Title 18, United States
27 Code, Sections 38(a)(1)(A), (B) and (C), and Title 18, United States
28 Code, Section 2. It is further alleged, pursuant to Title 18, United

1 States Code, Section 38(b)(1), that the offenses described above
2 relate to the aviation quality of the subject parts and the parts were
3 installed in an aircraft or spacecraft. The titanium at issue in this
4 count was used to make rings installed on Pratt-Whitney aircraft
5 engines.

6 FORFEITURE ALLEGATION

7 75. Upon conviction of one or more of the offenses alleged in
8 Counts 1 through 64 of this indictment, defendants WESTERN TITANIUM,
9 INC., MACH 2 METALS, INC., DANIEL SCHROEDER, BRIAN MISAK, JOHN COTNER
10 and CHEEM ANG, shall forfeit to the United States pursuant to Title
11 18, United States Code, Section 38(d), any and all property
12 constituting or derived from proceeds obtained directly or indirectly
13 as a result of said violations, including but not limited to the
14 following:

15 a. MONEY JUDGMENT

16 A sum of money equal to the proceeds obtained as a result
17 of violating the above mentioned offenses.

18 b. If any of the above-described forfeitable property, as a
19 result of any act or omission of the defendant(s):

20 (a) cannot be located upon the exercise of due diligence;

21 (b) has been transferred or sold to, or deposited with, a
22 third party;

23 (c) has been placed beyond the jurisdiction of the court;

24 (d) has been substantially diminished in value; or

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1 (e) has been commingled with other property which cannot
2 be divided without difficulty; it is the intent of the United States,
3 pursuant to Title 21, United States Code, Section 853(p) as
4 incorporated by Title 18, United States Code, Section 38(d)(2), to
5 seek forfeiture of any other property of said defendants up to the
6 value of the forfeitable property described above.

7 DATED: August 18, 2009.

8 A TRUE BILL:

9
10 Cheryl Herbers
11 Foreperson

12 KAREN P. HEWITT
13 United States Attorney

14 By: Stacey Sullivan
15 STACEY H. SULLIVAN
16 Assistant U.S. Attorney
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