



NEWS RELEASE

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California State Senator Ronald Calderon Charged with Taking Bribes in Exchange for Official Acts on Behalf of Hospital Owner and Independent Film Studio that Was Actually an FBI Front

LOS ANGELES – Ronald Calderon, a member of the California State Senate, has agreed to surrendered to federal authorities on Monday after being named in a federal grand jury indictment that accuses him of taking tens of thousands of dollars in bribes from a businessman and from people who were associated with a Hollywood film studio, but who were in actuality undercover FBI agents.

Ronald S. Calderon, 56, of Montebello, is charged in a 24-count indictment that was returned late yesterday by a federal grand jury with mail fraud, wire fraud, honest services fraud, bribery, conspiracy to commit money laundering, money laundering and aiding in the filing of false tax returns.

The indictment also charges Thomas M. Calderon, 59, also of Montebello, who is Ronald's brother and a former member of the California State Assembly. Along with his brother, Thomas Calderon is charged in the money laundering conspiracy and with seven substantive counts of money laundering.

Tom Calderon self-surrendered this morning after being informed of the indictment and is expected to be arraigned this afternoon in United States District Court.

Ron Calderon is travelling and has agreed to surrender Monday morning. Ron Calderon's arraignment will be Monday afternoon.

The indictment describes a scheme in which Ron Calderon allegedly solicited and accepted approximately \$100,000 in cash bribes – as well as plane trips, gourmet

dinners and trips to golf resorts – in exchange for official acts, such as supporting legislation that would be favorable to those who paid the bribes and opposing legislation that would be harmful to them. The indictment further alleges that Ron Calderon attempted to convince other public officials to support and oppose legislation.

“Public corruption is a betrayal of the public trust that threatens the integrity of our democratic institutions,” said United States Attorney André Birotte Jr. “Senator Calderon is accused of accepting tens of thousands of dollars in bribes and using the powers of his elected office to enrich himself and his brother Tom, rather than for the benefit of the public he was sworn to serve.”

Bill Lewis, the Assistant Director in Charge of the FBI’s Los Angeles Field Office, stated: “Corruption victimizes each and every one of us. The indictment alleges Mr. Calderon traded influence for cash in the 30th District and beyond. In addition to robbing us of taxpayer money, corrupt practices rob us of trust in government.”

In the first part of the bribery scheme, Ron Calderon allegedly took bribes from Michael Drobot, the former owner of Pacific Hospital in Long Beach, a major provider of spinal surgeries that were often paid by workers’ compensation programs. California law allowed the hospital to pass on to insurance companies the full cost it had paid for medical hardware it used during spinal surgeries. In another case filed this morning, Drobot admitted that his hospital exploited this law, which was often called the “spinal pass-through,” by using hardware that had been purchased at highly inflated prices from companies that Drobot controlled and passing this cost along to insurance providers. Drobot allegedly bribed Ron Calderon so that he would use his public office to preserve this law that helped Drobot maintain a long-running and lucrative health care fraud scheme.

While the corruption indictment does not implicate Ron Calderon in the health care fraud scheme, Ron Calderon is charged with taking bribes from Drobot to preserve the spinal pass-through law. The indictment specifically alleges that Drobot bribed Ron Calderon by hiring Calderon’s college-age son to work as a file clerk at his company and paying him approximately \$30,000 over the course of three summers. Ron Calderon’s son showed up for only about 15 days of work each summer, according to the indictment, which also accused Ron Calderon of accepting plane trips, golf outings

and expensive dinners from Drobot. Ron Calderon allegedly arranged meetings between Drobot and other public officials and helped Drobot attempt to persuade the other legislators to keep the spinal pass-through law in effect.

In another case filed this morning in United States District Court, Drobot has agreed to plead guilty to charges of conspiracy and paying illegal kickbacks. In his plea agreement, Drobot admits paying bribes to Ron Calderon.

In another part of the bribery scheme, Ron Calderon allegedly solicited and accepted bribes from people he thought were associated with an independent film studio, but who were in fact undercover FBI agents. Ron Calderon solicited and accepted bribes in exchange for supporting an expansion of a state law that gave tax credits to studios that produced independent films in California. The Film Tax Credit applied to productions of at least \$1 million, but, in exchange for bribes, Ron Calderon agreed to support new legislation to reduce this threshold to \$750,000, according to the indictment. The indictment specifically alleges that Ron Calderon agreed to support the new Film Tax Credit legislation in exchange for his daughter being paid \$3,000 a month for a job he knew she simply did not perform.

According to the indictment, Ron Calderon took several official actions with respect to reducing the threshold for the Film Tax Credit. Ron Calderon signed an official letter indicating that he supported a lower threshold, he met with other state senators to discuss the benefits of lowering the threshold, and he “caused legislation to be introduced in the Senate, which he intended to use as a vehicle to create a separate tax credit,” according to the indictment.

In addition to the nearly \$40,000 paid to his daughter, Ron Calderon allegedly solicited from the undercover FBI agents payments that included \$5,000 for his son’s college tuition and \$25,000 to Californians for Diversity, a non-profit political organization operated by Tom Calderon.

Both Calderons face money laundering charges for allegedly funneling bribe money through Californians for Diversity and Tom Calderon’s consulting firm, some of which went to Ron Calderon and his daughter.

Ron Calderon faces two tax fraud charges for allegedly helping in the preparation of false tax returns that fraudulently claimed business expense deductions in relation to the money his son received from Drobot.

Joel P. Garland, the Acting Special Agent in Charge for IRS Criminal Investigation's Los Angeles Field Office, commented: "Ronald and Thomas Calderon were granted the privilege of political office to better the lives of the citizens they represented, but instead Ronald Calderon used his office to commit bribery, tax and other crimes for their own selfish benefit. Today's actions reaffirm our commitment to this joint agency task force and our pursuit of justice. Public officials hold a position of trust and those who commit bribery, tax fraud and other crimes, take note."

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty in court.

If Ron Calderon were to be convicted of the 24 charges in the indictment, he would face a statutory maximum sentence of 396 years in federal prison.

If Tom Calderon is convicted of the money laundering charges alleged in the indictment, he would face a statutory maximum sentence of 160 years in prison.

The investigation into the Calderons was conducted by the Federal Bureau of Investigation and IRS-Criminal Investigation.

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