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**STOCKTON MAN INDICTED BY FEDERAL GRAND JURY ON
KICKBACK SCHEME AND TAX CHARGES**

SACRAMENTO--United States Attorney John K. Vincent announced today that a federal grand jury in Sacramento returned a four count indictment charging Ronald W. Batch, age 42, of Welch Ave. in Stockton, with mail fraud and federal tax charges.

According to Assistant United States Attorney Richard Bender, who is prosecuting the case, the indictment alleges that Batch, through his company, Batch Tractor Services (BTS), engaged in a scheme to defraud Central California Traction Co. (CCT), a Stockton short-line railroad, by paying kickbacks to CCT's operations manager. The kickbacks were paid in exchange for CCT's manager awarding BTS additional work from CCT, and loosely reviewing BTS's billings for that work to CCT.

The Indictment also alleges that Batch knowingly filed false federal income tax returns for the years 1996 and 1997. It alleges that in 1997, Batch knowingly filed a false federal joint income tax return for the tax year 1996, in which he under-reported the gross income to his company (BTS) by approximately \$450,000. It also alleges that in 1998, Batch knowingly filed a false federal joint income tax return for the tax year 1997, in which he overstated the expenses of BTS by approximately \$550,000.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

If convicted, the maximum penalty under federal law on each of the two mail fraud counts is five years in federal prison, a fine of \$250,000 or both. The maximum penalty for each of the two tax charges is three years in federal prison, a fine of \$250,000, or both.

This case is the product of an extensive/joint investigation by the Criminal Investigation Division of the Internal Revenue Service, the Federal Bureau of Investigation, and the Union Pacific Railroad Police.

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