

“OPERATION TRUTH OR CONSEQUENCES”

Case Summaries by State and Judicial District



October 18, 2006

“OPERATION TRUTH OR CONSEQUENCES” CASE SUMMARIES

Arizona

James Joseph Everett of Paradise Valley, Arizona, an attorney, was indicted on August 29, 2006, in the District of Arizona on 34 counts of false declarations in bankruptcy, bankruptcy fraud, and money laundering. Everett allegedly made numerous false declarations in his chapter 7 case to conceal approximately \$500,000 in assets and income, which was used to purchase a house.

Sergio and Sandra Renteria of Willcox, Arizona, and their daughter, Kayla Taylor, were arrested on August 1, 2006, in the District of Arizona with bankruptcy fraud, conspiracy to impair the Farm Service Agency, and illegal disposition of federal property. Taylor was also charged with making a false statement in connection with a loan. The 18-count indictment said the family obtained loans totaling \$800,000 from the farming agency and then failed to repay them. According to the indictment, Taylor used some of the loan proceeds to buy two Mercedes-Benz automobiles, although she told officials the loan was for farm operations. The defendants also allegedly sold crops and farm equipment pledged as security for the loans, and the Renterias allegedly concealed over \$200,000 in assets when they filed bankruptcy.

California

Central District

A superseding indictment was filed against Linda Lee Chamberlain, a/k/a Linda Lee Eoff, on August 1, 2006, in the Central District of California alleging that she stole approximately \$100,000 in Social Security disability income benefits (DIB) and approximately \$33,000 in Supplemental Security Income (SSI). The indictment charged that Chamberlain received monthly SSI and DIB benefits while concealing from the Social Security Administration that she was working under a different name and Social Security number as “Linda Lee Eoff.” When Chamberlain filed bankruptcy under the name “Linda L. Eoff,” she failed to disclose her true name and Social Security number, as well as the SSI and DIB income she had received under her true name.

Eastern District

Alberto Fernando Manfredi was indicted on October 12, 2006, in the Eastern District of California on charges of making multiple false statements in two separate bankruptcy cases and overstating his income on a loan application. The false bankruptcy statements allegedly concealed income and assets, including a Mercedes-Benz and business equipment.

Southern District

Roland Colton, an attorney from Laguna Niguel, California, was indicted on October 17, 2006, in the Southern District of California on seven counts of bankruptcy fraud for fraudulently concealing real property, personal assets, and bank accounts located in the United States and France, which were valued at more than \$1.5 million dollars. Colton failed to disclose and concealed his interest in a chateau and other real and personal property located in France and the United States, as well as his interest in bank accounts containing hundreds of thousands of dollars during the year before he filed bankruptcy. Colton was also charged with falsely testifying in bankruptcy proceedings regarding his ownership and control of numerous bank accounts, his payment of foreign taxes to maintain his property holdings in France, and his contribution toward the down payment for a home purchased in the name of his wife.

Colorado

Former police officer Joseph Martin Rael was arrested on October 11, 2006, after being indicted on August 22, 2006, in the District of Colorado on charges that he filed a joint chapter 13 bankruptcy petition without the knowledge of his wife, forged her signature on the bankruptcy petition and other bankruptcy documents, falsely testified about her location during the meeting of creditors, and concealed gambling debts in the bankruptcy case.

Darla Murta Sanchez of Littleton, Colorado, was charged with eight counts of bankruptcy fraud and use of false Social Security numbers on September 13, 2006, in the District of Colorado. She allegedly used false Social Security numbers when she rented apartments to avoid detection of her past non-payment of rent, and filed multiple bankruptcy cases to avoid eviction.

Connecticut

Kurt C. Claywell, formerly of Otis, Massachusetts, was indicted on October 17, 2006, in the District of Connecticut on charges of conspiracy to commit bankruptcy fraud and bankruptcy fraud. Claywell allegedly conspired to conceal assets when he filed for bankruptcy, including 35 acres of land, wine valued at approximately \$35,000, a boat, a gun collection, and a rare book collection.

Jeffrey Goldberg of Greenwich, Connecticut, was charged via complaint on October 17, 2006, in the District of Connecticut with concealing assets when he filed for bankruptcy, including antique furniture he had placed for sale on consignment with an antique dealer.

Delaware

Candy Jean Haas and Pamela J. Haas of Dover, Delaware, were charged in the District of Delaware on September 5, 2006, with concealing their mother's death and continuing to receive Social Security and veterans' benefits paid to their mother. Both women filed for bankruptcy,

allegedly failing to disclose their interests in the bank account into which the benefits were deposited.

Sheila Margaret Hayford was charged with five counts of bankruptcy fraud in the District of Delaware on October 3, 2006. She allegedly filed bankruptcy seven times to avoid foreclosure after failing to make payments on a \$303,964 mortgage, and made material false statements on five bankruptcy petitions by failing to fully disclose all of her prior cases.

Joseph Rychalsky, Jr., was indicted on October 12, 2006, in the District of Delaware for allegedly making a false declaration under penalty of perjury in his bankruptcy case, in which he falsely denied having a claim for injuries sustained in a prior automobile accident.

District of Columbia

Ricardo F. Henry was charged, in a second superseding indictment filed in the District of the District of Columbia on October 5, 2006, with 72 counts arising from his alleged operation of a health care fraud scheme. As principal officer of Insight Therapeutic Services, Inc., Henry allegedly fraudulently obtained money from Medicaid by claiming services that were not performed and making other false claims. Among other crimes, Henry was charged with filing bankruptcy to retain assets he acquired from the health care fraud scheme, including a Porsche for which he paid approximately \$113,000, and with concealing bank accounts, over \$120,000 in proceeds from the sale of his house, and assets including the Porsche and firearms.

Florida

Northern District

Attorney Tommy McPherson and his wife Jeannette McPherson were indicted in the Northern District of Florida on August 15, 2006, for allegedly using the bankruptcy system to discharge Jeannette McPherson's gambling debts, falsely claiming in her bankruptcy case that they were legally separated, and concealing assets including an automobile.

Middle District

Claude Hall was charged in the Middle District of Florida on October 11, 2006, with making a false oath and using a false Social Security number in his bankruptcy case.

John W. Whitman, Jr., was charged in the Middle District of Florida on October 11, 2006, with bankruptcy fraud based upon his forging an attorney's signature on the bankruptcy petition of Day Spas of America, Inc.

Georgia

Northern District

Donna Renae Woods Lawrence, Kerwana Lashon Bennett Woods, and Gwendolyn Reshell Woods were charged on October 4, 2006, in the Northern District of Georgia with 33 counts of conspiracy, bank fraud, bankruptcy fraud, and witness tampering. Lawrence allegedly used a stolen Social Security number to obtain HUD authorization to underwrite and broker FHA guaranteed loans through her company; submitted loan packages containing false qualifying information to obtain FHA guaranteed and conventional funding; fraudulently erased the security interests of prior lenders to keep subsequent loan proceeds; and filed five bankruptcy petitions, using false identities, to avoid foreclosure on approximately \$3.6 million in unpaid mortgage loans. Kerwana Woods and Gwendolyn Woods allegedly assisted Lawrence by attending bankruptcy hearings posing as the debtors.

Southern District

Charlie Greer, Jr., was charged on October 11, 2006, in the Southern District of Georgia with concealing almost \$100,000 in assets, including a bank account and proceeds from two real estate transactions.

Idaho

Laura R. Rodriguez was indicted on October 17, 2006, in the District of Idaho on four charges, including two bankruptcy fraud counts of making a false declaration under penalty of perjury and making a false oath. Rodriguez allegedly used a false Social Security number on her bankruptcy petition and later falsely testified under oath that the information on her petition was true and correct.

Illinois

Northern District

Norton Helton, a bankruptcy and real estate lawyer in Chicago, was charged with a bankruptcy fraud scheme in a complaint filed on October 17, 2006, in the Northern District of Illinois. According to the complaint, Helton worked with an entity, identified in the complaint as Company A, that offered a “mortgage bailout” program to homeowners facing foreclosure. The “mortgage bailout” program consisted of transferring the homeowners’ property to “investors” who would allegedly hold these properties for a period of time while the former homeowners attempted to improve their financial position. Homeowners could allegedly repurchase their homes from the investors if they were financially able at the end of a predetermined period of time. The complaint further alleged that Helton subsequently offered a similar service directly to clients through his company, Diamond Management of Chicago, Inc. Helton also allegedly filed bankruptcy petitions for certain clients, but failed to reference the transfer of property as required,

despite his personal knowledge of those transfers. The concealment of these real estate transactions kept equity realized from the sale of these properties from becoming part of the debtors' bankruptcy estates.

Thomas O'Connell Holstein, a consumer bankruptcy lawyer, was indicted on October 17, 2006, in the Northern District of Illinois, on nine counts of bankruptcy fraud and making false statements in three separate bankruptcy cases. Holstein allegedly concealed from his clients his impending suspension from the practice of law and prepared bankruptcy documents that concealed his role in their preparation and his receipt of attorneys' fees. He allegedly made these false statements in bankruptcy documents filed in all three cases.

Brian Hughes of Chicago was charged on October 17, 2006, in the Northern District of Illinois in a four-count indictment with bankruptcy fraud and making false statements in bankruptcy cases. Hughes allegedly filed multiple fraudulent bankruptcy cases to avoid foreclosure of his residence and repossession of his Mercedes-Benz. He also allegedly acted as a bankruptcy petition preparer without disclosing his role, and filed a fraudulent bankruptcy case for an individual.

William Ramon Jackson, 62, of Chicago, a disbarred attorney, was charged on October 17, 2006, in the Northern District of Illinois with bankruptcy fraud, receipt of bankruptcy estate property with intent to defeat the provisions of the Bankruptcy Code, and conversion of bankruptcy estate property. Jackson, the attorney for a debtor corporation, allegedly lied to the bankruptcy court regarding the whereabouts of \$28,000 in attorneys' fees the court had ordered Jackson to return to the bankruptcy trustee. Jackson also allegedly received and converted a \$6,098 check payable to the debtor corporation.

Sherry L. Kolthoff was indicted on October 17, 2006, in the Northern District of Illinois for allegedly falsely claiming in her bankruptcy documents that she did not have an interest in a decedent's estate and concealing her interest in the property.

Craig D. McKinley was indicted in the Northern District of Illinois on August 29, 2006, on charges of perpetrating a bankruptcy fraud scheme, concealment of assets, and mail fraud. McKinley's alleged scheme involved the serial filing of bankruptcy cases to prevent creditors from collecting debts and foreclosing on real property he owned. McKinley also allegedly falsified his bankruptcy papers, as well as real estate and automobile loan applications.

Erica M. Reaves was indicted on October 17, 2006, in the Northern District of Illinois for allegedly making false statements in her bankruptcy petition by failing to disclose all Social Security numbers that she had used and by failing to disclose all her unsecured debts. She also allegedly used a Social Security number not assigned to her in connection with a loan application.

Charlotte Schuett of Lake Havasu City, Arizona, and attorney Edward Varga of Aurora, Illinois, were charged in an eight-count indictment on October 17, 2006, in the Northern District of Illinois with bankruptcy fraud, mail fraud, and falsifying documents in relation to bankruptcy

cases. The indictment charged that Schuett and Varga, in the guise of assisting individuals facing foreclosures of their homes, allegedly convinced these homeowners to sell their homes to “investors” while in bankruptcy or just before entering bankruptcy. Allegedly, Schuett and Varga through the use of false statements and documents ensured that the closings took place, the sale proceeds were signed over to Schuett and not the sellers, and the sale and existence of the proceeds were concealed from the bankruptcy court, the trustees, and creditors. Schuett and Varga allegedly defrauded property owners facing foreclosure, creditors, and bankruptcy trustees of approximately \$500,000.

Lorie K. Westerfield of Chicago, an attorney, was indicted on October 17, 2006, in the Northern District of Illinois for allegedly filing false documents in a bankruptcy case. Westerfield allegedly purchased a residence from an individual for \$153,000, and then failed to disclose the property transfer or the sale proceeds received by the individual in a bankruptcy petition she filed on the individual’s behalf. Westerfield also allegedly omitted information from that bankruptcy petition, and from a subsequent petition, regarding prior bankruptcy petitions Westerfield had filed on behalf of the individual.

Constantine Zombanakis was indicted on October 17, 2006, in the Northern District of Illinois on two counts of bankruptcy fraud based on his false statements in his bankruptcy documents and his concealment of his interest in a decedent’s estate.

Indiana

Southern District

Jeffrey E. Onkst of Bloomington, Indiana, was charged on September 7, 2006, and pleaded guilty to charges of bankruptcy fraud and suborning perjury on September 18, 2006, in the Southern District of Indiana. Onkst filed or caused to be filed 19 bankruptcy cases, in his name and in the names of other individuals, in order to stop foreclosure on real properties he owned or controlled. In each bankruptcy case, he allegedly failed to disclose his prior filings. All of the 19 bankruptcy cases were eventually dismissed after Onkst failed to pursue them.

Iowa

Northern District

Sherman and Chantelle Hogrefe of Albert City, Iowa, were charged on August 23, 2006, in the Northern District of Iowa with bank fraud, bankruptcy fraud, and false certification and conversion of grain secured by the government. Among other conduct, Sherman Hogrefe allegedly made false statements to a bank to obtain a \$2.5 million agricultural loan, and both Sherman and Chantelle Hogrefe allegedly made false statements and concealed approximately \$80,000 in assets and income in their joint chapter 7 bankruptcy case.

Darren J. Patzner was indicted on bankruptcy fraud charges on September 20, 2006, in the Northern District of Iowa. One month before filing bankruptcy, Patzner liquidated his 401(k) account and deposited the 401(k) distribution check into his bank account. Patzner allegedly withdrew part of those funds as a cashier's check made out to himself, which he cashed one day after filing bankruptcy. The indictment charged that the funds held in the cashier's check were not disclosed in Patzner's bankruptcy case.

Maryland

Dianna Butler was indicted on October 17, 2006, in the District of Maryland on charges of bankruptcy fraud and forging a bankruptcy court order. She allegedly used the forged order to prevent the contents of a storage unit from being auctioned to the public.

Dana Maria Cogna was indicted in the District of Maryland on October 16, 2006, on charges of making false statements in bankruptcy. The indictment charged Cogna with failing to disclose criminal restitution debts totaling \$28,343, and failing to disclose that she was party to a criminal proceeding within one year immediately before filing bankruptcy.

Jerome A. Pearson was indicted in the District of Maryland on October 16, 2006, on charges of fraudulent conveyance in bankruptcy, mail fraud, wire fraud, and money laundering. After filing bankruptcy, Pearson allegedly received \$49,945 from the sale of real property without the approval of the bankruptcy trustee or the court, and used \$37,993 to purchase a 2006 Chrysler 300C automobile.

Michigan

Eastern District

Dorian Marie Hayes was charged on September 27, 2006, in the Eastern District of Michigan with making a false oath in bankruptcy by falsely denying that she had given her parents cash to purchase her residence, when in fact she had given her parents \$80,000 in cash.

Jack Mevorach was charged with bankruptcy fraud via complaint on September 28, 2006, in the Eastern District of Michigan. According to the complaint, Mevorach engaged in a scheme to defraud his corporate employer, during the course of which he filed two bankruptcy cases in the name of the company's owner.

Missouri

Eastern District

Marquita Yvonne Hawkins was indicted on October 11, 2006, in the Eastern District of Missouri for allegedly falsifying credit counseling certificates in two bankruptcy cases and causing the certificates to be filed in the bankruptcy court.

Eileen Shepard was indicted in the Eastern District of Missouri on August 17, 2006, on charges of identity theft, aggravated identity theft, and making false statements about her Social Security number when she filed bankruptcy.

Nevada

Tommy Johnson was charged on October 11, 2006, in the District of Nevada with concealing his 2004 Harley Davidson “Road King” motorcycle when he filed bankruptcy. He was also charged with falsely testifying that the motorcycle was his girlfriend’s, rather than his.

New Hampshire

J. Gregory Skorich was charged on September 27, 2006, in the District of New Hampshire with concealing assets by failing to disclose a pickup truck and a 25-foot trailer in his bankruptcy case.

New Jersey

John Kurzel was charged and pleaded guilty on October 2, 2006, in the District of New Jersey to conspiracy to commit wire fraud. Kurzel, a mortgage loan processor, prepared false loan applications and submitted supporting documentation, including inflated appraisals, for individuals willing to pose as nominee buyers of properties sold by New Jersey Affordable Homes, to further a mortgage fraud scheme involving multiple properties.

New York

Eastern District

Richard Thomas Hubbard and Christine V. Blumenauer were charged via complaint on October 17, 2006, in the Eastern District of New York with making false statements and forging a court document. Hubbard allegedly made false statements, including the listing of an invalid Social Security number, in multiple bankruptcy filings. Blumenauer allegedly sent a fraudulent court order, which included a forged signature of a bankruptcy judge, to remove the restraining notice a creditor had placed on her bank account.

Ohio

Northern District

Monique Caldwell was indicted on October 17, 2006, in the Northern District of Ohio on charges of bankruptcy fraud, bank fraud, and mail fraud for allegedly obtaining a mortgage using the name and Social Security number of her daughter. Caldwell allegedly filed bankruptcy several years after she obtained the mortgage, failed to disclose in her petition that she had used her daughter’s name, and falsely denied owning any real estate in her bankruptcy schedules.

Ahmad Elgergawi was indicted on September 26, 2006, in the Northern District of Ohio for alleged concealment of assets, false oaths in bankruptcy, and participation in a scheme to defraud credit card companies by filing bankruptcy.

Anthony Rawls was indicted on September 26, 2006, in the Northern District of Ohio on charges that he lied about his income to receive benefits from the Department of Housing and Urban Development, and lied in his bankruptcy case about receiving benefits and assistance from the Veterans' Administration.

John M. Smalcer, Jr., of Garfield Heights, Ohio, was charged on September 26, 2006, in the Northern District of Ohio with engaging in a scheme to defraud creditors by forging bankruptcy court orders that excused him from liability for certain lawsuits and removed him from several bankruptcy cases.

Southern District

Randall Webb was indicted on October 10, 2006, in the Southern District of Ohio on charges of mail fraud and bankruptcy fraud for allegedly operating a mortgage foreclosure scheme. Webb, a bankruptcy petition preparer doing business as American Foreclosure Group, advertised his services to people facing foreclosure and made false promises about saving their homes. He allegedly filed numerous fraudulent bankruptcy cases in the names of the homeowners without their consent, and made false statements about his role in preparing the bankruptcy filings.

Oregon

Clifford Chin was charged on October 11, 2006, in the District of Oregon with making false statements, by under-reporting his income over a three-year period when he filed bankruptcy.

Pennsylvania

Eastern District

Robert Coates was indicted on October 12, 2006, in the Eastern District of Pennsylvania for allegedly filing four bankruptcy petitions using a false Social Security number in each case.

Tameeka Molletta was indicted on October 12, 2006, in the Eastern District of Pennsylvania for allegedly filing three bankruptcy cases in which she falsely represented herself as another person and used a false Social Security number.

Jean Krotz was indicted on October 12, 2006, in the Eastern District of Pennsylvania for allegedly engaging in a bankruptcy fraud scheme in which she filed a bankruptcy case under the name of her minor child, and then altered the bankruptcy petition to make it appear as if she had

filed in order to delay the foreclosure of her residence. Krotz, who had previously filed six bankruptcy cases, had been barred by the court from re-filing without court permission.

Western District

George R. Davitch, Jr., was indicted on October 17, 2006, in the Western District of Pennsylvania for allegedly making a false statement by omitting income on his bankruptcy schedules.

Catherine Jeter was indicted on October 10, 2006, in the Western District of Pennsylvania for allegedly forging a bankruptcy judge's signature on a court order that purported to grant a bankruptcy discharge.

Robin Grassel Musher, a bankruptcy attorney, was indicted in the Western District of Pennsylvania on October 17, 2006, for allegedly embezzling approximately \$152,253 that belonged to the bankruptcy estates of debtors.

Puerto Rico

Freddy Victor Garrido-Jimenez was indicted on October 11, 2006, in the District of Puerto Rico for allegedly concealing assets and property valued at more than \$275,000 in his chapter 13 bankruptcy case.

Rhode Island

Richard M. Cecca was charged on August 2, 2006, in the District of Rhode Island with concealing his ownership interest in multiple properties, making false oaths regarding the value of companies he controlled, and concealing his interest in a company worth approximately \$115,000.

South Carolina

Ruth Jiminez was indicted on October 4, 2006, in the District of South Carolina for allegedly using a false Social Security number to file bankruptcy.

Frank LeDonne was indicted on October 10, 2006, in the District of South Carolina for allegedly keeping rental proceeds collected from bankruptcy estate property during his joint bankruptcy case. The proceeds were also bankruptcy estate property and should have been turned over to the bankruptcy trustee.

Christina Y. Scott, a/k/a Christina Hughey, was charged via complaint on October 10, 2006, in the District of South Carolina with counterfeiting the bankruptcy court seal and forging a bankruptcy judge's signature on a document, in order to qualify for a loan on a used car. The document falsely claimed that the judge had reviewed court records and had verified Scott was not associated with an open bankruptcy case.

Texas

Southern District

Antonio Perez Ferrer, the former office manager for a chapter 13 trustee, was indicted on September 6, 2006, in the Southern District of Texas on two counts of embezzlement of bankruptcy funds. Ferrer allegedly embezzled \$120,867 by changing the names of payees to his own name on checks written from the trustee's expense account, and charged personal expenses of \$6,571 on the chapter 13 trustee's credit card account.

Utah

Kathleen Jill Heath was indicted on August 16, 2006, in the District of Utah on one count of concealment and two counts of false bankruptcy oath for failing to disclose her home and her vehicle in her chapter 7 case.

Holli Lundahl was indicted in the Central District of Utah on October 4, 2006, for allegedly fraudulently omitting information on her bankruptcy filings and submitting documents with forged signatures of state and federal judges.

Irene Salcido was charged on August 2, 2006, in the District of Utah and pleaded guilty on September 11, 2006, to failure to surrender to serve her sentence. She had previously pleaded guilty to bank fraud for using a false Social Security number to obtain two car loans and a \$5,000 line of credit from a federally insured credit union and, to bankruptcy fraud, for making a false bankruptcy declaration by using the false Social Security number on her bankruptcy filing. She was to report for prison in April 2006, but she failed to do so.

Virginia

Eastern District

Alladean M. Allobaidy was charged with bank fraud via complaint on September 18, 2006, in the Eastern District of Virginia. Allobaidy allegedly participated in a fraud scheme by acting as the straw buyer of a residence of two debtors who had previously filed chapter 11 bankruptcy.

Brenda Marks was indicted on August 25, 2006, and pleaded guilty on October 12, 2006, in the Eastern District of Virginia to one count of conspiracy, part of a 15-count indictment charging bankruptcy fraud, bank fraud, and possessing and uttering counterfeit securities. Over a period of more than 17 months, Marks filed or caused to be filed five bankruptcy cases in order to avoid foreclosure on two properties.

Bernard Williams was indicted on October 11, 2006, in the Eastern District of Virginia for allegedly concealing \$86,000, which constituted the proceeds of the sale of his home while he was in chapter 11 bankruptcy.

Washington

Jon Baer was indicted on October 12, 2006, in the Western District of Washington for concealing various assets including real estate, a BMW automobile, a 2004 recreational vehicle, and three motorcycles. Baer was also charged with making false statements in connection with his bankruptcy documents.

Wisconsin

Teresa Sanchez was indicted on October 11, 2006, in the Western District of Wisconsin for concealing \$40,000 in proceeds from a real estate transaction and failing to disclose these proceeds in her subsequent bankruptcy case.

The charges contained in an indictment, information, or criminal complaint are merely allegations, and the defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt.