



PRESS RELEASE

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**FORMER INSURANCE SALESMAN SENTENCED TO PRISON FOR
AIDING THE FILING OF FALSE INCOME TAX RETURN**

ALBUQUERQUE – This morning, a federal judge in Albuquerque sentenced Michael Craig Celenze, 68, a former Albuquerque resident currently residing in Odessa, Texas, to prison for a year and a day for aiding and abetting the filing of a false income tax return, announced U.S. Attorney Kenneth J. Gonzales. Celenze will be on supervised release for one year after he completes his prison sentence.

Celenze also was ordered to pay \$380,863.17 to the Crime Victim's Fund of the United States Treasury, which represents the total tax loss caused by his unlawful conduct plus applicable interest. Celenze is required to surrender himself to a federal correctional institution to be designated by the U.S. Bureau of Prisons as directed by the U.S. Marshal.

On Oct. 14, 2010, Celenze was charged in a 13-count indictment alleging three counts of mail fraud, four counts of wire fraud, and six counts of assisting in the preparation of false income tax returns. According to the indictment, Celenze held seminars around the United States in which he marketed the ownership of fractional shares in properties located in Puerto Peñasco, Mexico, as tax-free investments with large returns. Celenze's seminars generally targeted older investors with established retirement funds and Celenze required a minimum \$50,000 investment from each investor. Celenze collected monies from investors and falsely represented to investors that their investment was part of an Allianz Life Insurance retirement program. At the time, Celenze was, in fact, affiliated with Allianz as an insurance salesman, but he was not authorized to collect any rollover funds on behalf of Allianz. Celenze devised a scheme to provide false information to financial institutions to transfer investors' retirement accounts into an account that he controlled.

On May 17, 2012, Celenze pled guilty to Count 8, charging him with assisting in the preparation of a false income tax return under a plea agreement with the U.S. Attorney's Office. In his plea agreement, Celenze admitted initiating a business venture in 2004 that sought to make a profit through the purchase of property in Puerto Peñasco, Mexico, and actively solicited investors in a limited liability corporation, Puerto Peñasco Getaway LCC (PPG), from 2004 through 2006. Celenze admitted that he falsely represented to investors that PPG was a qualified rollover vehicle, which permitted the investors to withdraw funds from their 401K and

other retirement accounts without having to pay taxes on those funds. At the time, Celenze knew that PPG was not a qualified rollover vehicle and that funds withdrawn from retirement accounts would give rise to tax liability. Celenze also admitted that he assisted investors in making similar misrepresentations regarding the status of PPG as a qualified rollover vehicle to the financial institutions that served as custodians of the investors' retirement accounts. He did so knowing that the investors would file false returns, which failed to declare as taxable income the funds withdrawn from the retirement accounts, with the Internal Revenue Service.

Under the terms of the plea agreement, the United States moved to dismiss the remaining 12 counts of the indictment after Celenze was sentenced.

The case was investigated by the Internal Revenue Service – Criminal Investigation, and was prosecuted by Assistant U.S. Attorney John C. Anderson.

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