



Department of Justice

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SECOND SUPERSEDING INDICTMENT CHARGES
SEVEN MANAGERS OF IFCO SYSTEMS

ALBANY, NY – Andrew T. Baxter, Acting United States Attorney for the Northern District of New York and John P. Torres, Acting Assistant Secretary of Homeland Security for U.S. Immigration and Customs Enforcement (ICE), announced today the return of a superseding indictment against seven managers of IFCO Systems North America (“IFCO”), the largest pallet management services company in the United States. The IFCO managers charged in the Second Superseding Indictment¹ with various federal offenses relating to illegal immigration and employment-related practices are:

- HASKELL “BUDDY” ROSS, age 42 of Lakeland, Florida (Senior Vice President – Human Resources);
- CHRISTOPHER TIESMAN, age 40 of Spring, Texas (Senior Vice President – Finance and Accounting);
- CHARLES DAVIDSON, age 46 of San Antonio, Texas (Vice President of New Market Development, formerly Director of New Market Development);
- KENNETH GINES, JR., age 51 of Spring, Texas (Controller – Pallet Services);
- WENDY MUDRA, age 34, Tampa, Florida (Human Resources Manager);
- WILLIAM HOSKINS, age 31 of Cincinnati, Ohio (New Market Development Manager); and
- TOMAS SOTO CASTILLO, age 45 of Cincinnati, Ohio. (Foreman, Cincinnati/operations manager New Market Development).

¹ An indictment is merely an accusation and the defendants are presumed innocent unless and until proven guilty. Defendants DAVIDSON, HOSKINS, SOTO CASTILLO, and MUDRA were first indicted in February 2008; defendants TIESMAN, GINES, and ROSS were added in the Second Superseding Indictment.

All seven defendants are accused of conspiring, between 2003 and April 2006, to harbor illegal aliens employed by IFCO and to encourage and induce those illegal aliens to reside in the United States. Defendants TIESMAN, GINES, ROSS, and MUDRA are charged in a related conspiracy to defraud the Internal Revenue Service and the Social Security Administration by submitting false payroll-related information to those agencies, and to facilitate the misuse of social security numbers by IFCO employees. Defendants DAVIDSON, HOSKINS, SOTO CASTILLO, and MUDRA are named in two counts with substantive violations of harboring illegal aliens employed by IFCO and encouraging and inducing those illegal aliens to reside in the United States. SOTO CASTILLO is charged with transportation of particular illegal aliens in three substantive counts. Each offense set forth in the seven-count indictment carries maximum penalties of up to five years imprisonment and a \$250,000 fine.

Today's superseding indictment stems from the government's investigation of illegal immigration and employment-related practices at IFCO's pallet management services plants, which procure, recondition and distribute wood pallets. The investigation began following a tip to ICE in February 2005, that illegal alien laborers at the Albany IFCO plant were observed ripping up their W-2 forms. On April 19, 2006, ICE agents, in concert with other federal and state authorities, conducted a work site enforcement action at over 40 IFCO pallet plants in 26 states, which resulted in the detention of 1,182 illegal aliens working at those plants.

The United States Attorney's Office has previously prosecuted several IFCO managers for criminal offenses associated with the employment of illegal alien workers at IFCO pallet plants. To date, nine IFCO managers have entered pleas of guilty related to such criminal conduct and are awaiting sentencing.

Last month, the United States reached a record corporate settlement with IFCO, pursuant to which the company agreed to pay \$20.7 million dollars in civil forfeitures and penalties over four years. The settlement amount included \$2.6 million dollars in back pay and penalties relating to IFCO's overtime violations with respect to 1,700 of its pallet workers. IFCO also agreed to pay \$18.1 million in civil forfeitures that will be available to support future law enforcement activities. If IFCO fully complies with the terms of the settlement agreement, the United States Attorney for the Northern District of New York will not pursue corporate criminal charges against the company for the conduct of its employees related to the employment of illegal alien workers at IFCO pallet plants prior to April 19, 2006.

John P. Torres, Homeland Security Acting Assistant Secretary for ICE stated: "As a result of ICE's ongoing criminal investigation, the IFCO corporation agreed in December to forfeit nearly \$21 million. Today, three additional management officials, including two Senior Vice Presidents, have been indicted. This case should serve as a strong reminder to corporations and their management officials that knowingly employing illegal aliens for corporate profit has significant consequences."

Acting U.S. Attorney Baxter praised ICE; the New York State Police; the Social Security Administration, Office of Inspector General; the Internal Revenue Service, Criminal Investigation; and the U.S. Department of Labor, Wage and Hour Division for their outstanding, coordinated investigative efforts in this case. Assistant United States Attorneys Tina Sciocchetti and Richard Belliss, and Special Assistant United States Attorney Bonnie Brady, represent the United States in this prosecution.

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