



Department of Justice

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FOR IMMEDIATE RELEASE
WEDNESDAY, MAY 20, 2009
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**CONTRACTOR LIVING IN MARIETTA, GEORGIA CHARGED WITH
DEFRAUDING CINCINNATI LEASING COMPANY OUT OF MORE THAN \$1.6
MILLION**

Claimed he needed the money to finish projects for Hurricane Katrina victims

CINCINNATI – A federal grand jury here today indicted Vernon Menifee, 39, of Marietta, Georgia alleging that the contractor defrauded Cincinnati-based Schottco Corporation and Schott Leasing Company out of \$1,686,647.30 between 2006 and 2008, United States Attorney Gregory G. Lockhart of the Southern District of Ohio and Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation (FBI), Cincinnati Division announced.

Menifee allegedly claimed that he needed the money to complete construction projects for Hurricane Katrina victims. The projects were never finished and he used at least part of the money to open a bar here.

In 2006, Menifee lived in Georgia and owned a construction business in Cincinnati called Built By Brothers. Some of the construction work was located in New Orleans, Louisiana. Menifee leased construction vehicles and luxury cars from Schott Leasing Company, a subsidiary of Schottco Corp. The indictment alleges that, through a personal associate who worked for Schottco, Menifee set up a wire fraud scheme to transfer money from the company's accounts to his personal accounts.

The indictment also charges that Menifee made several false statements including falsely claiming that there were no pending judgments against him when he applied to Countrywide in 2007 for a loan connected with his property in Marietta, Georgia. In September, 2006, the U.S. District Court here had ordered him to pay restitution of \$895,872 as part of his sentence for conviction on tax evasion and bank fraud charges in connection with a mortgage fraud scheme.

The indictment charges Menifee with 44 counts of aiding and abetting wire fraud, each of which has a maximum possible sentence of 20 years imprisonment. The indictment also charges one count of conspiracy to commit loan fraud, which is punishable by up to five years imprisonment, and one count of making false statements on a loan application, punishable by up to 30 years imprisonment.

Local law enforcement authorities in Georgia arrested Menifee in Marietta on April 10 for violating the conditions of his supervised release. He has been in custody since his arrest.

Lockhart commended the FBI agents who investigated the case, and Assistant U.S. Attorney Jennifer C. Barry, who is prosecuting the case.

An indictment is merely an accusation. A defendant should be presumed innocent until and unless proven guilty in court.

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