



U.S. ATTORNEY'S QUARTERLY

Alleged Members of Violent Drug Gang Charged

An indictment, charging 13 alleged members of a violent North Philadelphia drug gang, was released to the public on November 10, 2010. The 27-count indictment charges Alexander Rivera, a/k/a "Reds", with leading a violent drug organization with the help of co-defendants Daniel Cortez, Cesar Burgos, Jose Alequin, Manuel Maysonet, Angel Rivera, Pedro Vega, Edwin Gonzalez, Alexander Santana-Santiago, Fernando Nieves, Victor Pagan, Rivera's wife Ileana Vidal, and Rivera's mother-in-law Ida Cardona. The charges allege that members of the

drug organization engaged in violent activities for the purpose of protecting their drug territory which was, primarily, in and around the intersection of Indiana Avenue and Lawrence Street. For example, on September 26, 2006, while engaged in a shootout with a rival drug dealer, Rivera shot an innocent bystander. On August 14, 2007, defendant Daniel Cortez, along with two others, kidnapped and tortured a man who supposedly owed Rivera drug money. On December 24, 2009, Rivera and defendant Cesar Burgos hired a person to shoot a rival

drug dealer. The organization is charged with distributing heroin, cocaine, and PCP. Each defendant is facing a maximum sentence of life in prison if convicted of all charges.

The case was investigated by the FBI Philadelphia Division Violent Gang Safe Streets Task Force and the Philadelphia Police Department. It is being prosecuted by Assistant United States Attorneys David Axelrod and Scott Cullen.

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A Message From the U.S. Attorney for the Eastern District of Pennsylvania

In our last issue, I discussed the importance of reaching out to the district's youth as part of a comprehensive plan to combat crime in the district. In these challenging times, our youth need positive encounters in the home, in the schools, and in the community at-large in order to become productive citizens and avoid encounters with the criminal justice system.

January is National Mentoring Month. Mentoring can be an important tool in the fight against crime. Some may view it as an ideal rather than as a proven method. But according to the Office of Juvenile Justice and Delinquency Prevention, youth that are involved in mentoring programs have tended to be less likely to experiment with drugs, less likely to be physically aggressive, and less likely to skip school than those not involved in such programs. That is encouraging news that my staff and I view as worthy of our time and energy.

For the past 13 years, this office has participated in the Philadelphia Reads Program. Every year we adopt a class from one of the elementary schools in the Philadelphia School District and members of this office work with the students, one-on-one. This has been a won-

derful program that our staff has found immensely rewarding.

Understanding that we cannot arrest our way out of the crime problems impacting the various communities in this district, I believe that outreach—particularly efforts involving our youth—is extremely important. Our office is now partnering with Big Brothers/Big Sisters of America and Philadelphia Futures to make a difference in the lives of girls and boys who are at-risk of falling through the cracks. But that's a small part of what we hope to accomplish.

We are planning to partner with many different entities (including public schools, non-profit community organizations, businesses and the community in general) in an attempt to thwart some of the violence and drug activity that plagues our communities. Hopefully our efforts will result in our reaching children who may benefit from a little extra guidance, and will result in our helping to stall the cycle of recidivism that seems to follow former inmates trying to re-enter society as productive members.

This is a monumental task which will re-

quire community involvement to succeed.

In the coming months, you may encounter our efforts. We will also update our progress in this newsletter. You do not have to be a member of law enforcement to join the fight against crime or to help make your community a better place to live.

I encourage you to follow our progress. Should you decide join the effort, you can visit this website for more information on mentoring:

<http://www.ojjdp.gov/programs/mentoring.html>

-Zane David Memeger



CHILD PREDATORS PROSECUTED



A 41-year old previously convicted child predator, from Woolwich, NJ, was sentenced on November 8, 2010, to 25 years in prison for using the Internet to prey on children for sexual purposes. John Desper traveled from New Jersey to Delaware County, Pennsylvania, on February 16, 2009, to engage in a sexual act with a minor. He was, instead, met by a detective with the Delaware County District Attorney's Office. Desper pleaded guilty to two counts of using the Internet to entice a minor, five counts of receipt of child pornography, five counts of distribution of child pornography, and one count of possession of child pornography. At the time of his arrest, Desper had six different screen names and was corresponding, online, with parents, offering them money to allow him to sexually assault their children.

On October 1, 2010, 45-year old Kenneth Schneider was convicted of traveling for the purpose of engaging in sex with a minor, and transporting a person for criminal sexual conduct. Schneider, founder and president of the Apoee Foundation, traveled to Moscow, Russia in the summer of 1998 as a benefactor looking to provide assistance to a male student at the Moscow State Academy of Choreography. Instructors identified a 12-year old student whose family could no longer afford to pay board. Schneider convinced the parents to allow the boy to live with him in an apartment and, over the next several years, Schneider engaged in a (molestation) sexual relationship with the victim against the victim's will. Sentencing in the case is scheduled for January 12, 2011. The defendant faces a maximum possible sentence of 25 years.

27-year old Charles Lefebvre faces up to 10 years in prison when sentenced next March for possession of child pornography. Lefebvre pleaded guilty November 22, 2010. He admitted to federal agents that he had collected thousands of images of child pornography by means of the Internet over a period of years. Approximately 166 video files found on his computer equipment depicted children.

An indictment¹ was unsealed November 9, 2010, charging Paul Sewell, of Reading, PA, with four counts of sex trafficking of minors and of adults by force, and three counts of production of child pornography. The indictment also charges Michael Johnson, of Reading, with one count of sex trafficking. According to the indictment, Sewell ran a large prostitution ring in the Reading area through which he hired females, including minors, to work for him. Sewell, who called himself "God," insisted that the females who worked for him be tattooed with "God" and a nickname he gave them as a "working name." He also photographed the females so that he could feature them on a website called "cashmoneybrothersescorts.com," on which he advertised them as escorts. Sewell took sexually explicit pictures of the females to email to potential clients. Sewell also subjected some females to physical violence to force them to continue working for the venture. The Berks County District Attorney's Office and its Detective Division investigated the original complaint.

Child exploitation cases are typically investigated by the Federal Bureau of Investigation (FBI), Immigration and Customs Enforcement (ICE), and the United States Postal Inspection Service.

Sidenote:

You can find press releases about the cases we charge on our website:

www.justice.gov/usao/pae

Pharmaceutical Company Pleads Guilty

On November 2, 2010, Novartis Pharmaceuticals Corporation ("NPC") pleaded guilty to charges in a criminal information involving the off-label marketing of the anti-epileptic drug Trileptal. The plea agreement included the payment of a criminal fine and forfeiture of \$185 million. NPC also agreed to pay \$237.5 million to resolve civil liabilities for its off-label marketing of Trileptal and payment of kickbacks to health care providers to induce them to prescribe Trileptal, as well as Diovan, Exforge, Tekturna, Zelnorm, and Sandostatin. Sentencing is scheduled for January 28, 2011.

Manufacturer Enters Consent Decree Involving Diabetic Test Strips

On October 27, 2010, American Health Care, Inc., and its President Edward Letko agreed to resolve allegations by the United States that they misled consumers in the sale of diabetic test strips. A court-approved Consent Decree prohibits American Health Care and Letko from obscuring information that lets the consumer know where the test strips were to be sold. That information is critical in the event of a problem with the product or a recall. Consumers who purchased test strips in the altered boxes would have difficulty learning about any problems with their strips. The Consent Decree helps to ensure that diabetics have access to all the information they need to know what they are buying, how to use it safely, and what to do if there are problems with it.



VOCABULARY: Access Device Fraud

“Access Device Fraud”, a form of identity theft, refers to the fraudulent use of any card, plate, code, account number, electronic serial number, mobile identification number, personal identification number, or other telecommunications service, equipment, or instrument identifier, or other means of account access that can be used, alone or in conjunction with another access device, to obtain money, goods, services, or any other thing of value, or that can be used to initiate a transfer of funds (other than a transfer originated solely by paper instrument). Access Device Fraud is investigated by the Secret Service.

Pill Mill Doctor Sentenced

Laurence T. McKinney, M.D., 54, of Philadelphia, was sentenced September 29, 2010, to 87 months in prison for illegally prescribing painkillers and sedatives. A federal jury found that McKinney was operating a pill mill at 7514 Frankford Avenue, in Philadelphia. For a \$100 fee, clients could obtain prescriptions for controlled and non-controlled prescription drugs without having a legitimate medical purpose. The jury found that Dr. McKinney was illegally prescribing dosages of two highly addictive drugs: Percocet, used for acute pain, and Xanax, an anti-anxiety agent and muscle relaxant. The two drugs are also among the most frequently abused, illegally distributed prescription drugs and have a high illegal street market value. The jury also found that McKinney used his medical office for the illegal sale of the prescriptions. At sentencing, U.S. District Court Judge Michael M. Baylson called McKinney a recidivist who was acting out of greed. He ordered the defendant to stop practicing medicine immediately. McKinney's medical license will be suspended for at least 10 years.

Doctor Charged in Fen Phen Fraud

Dr. Abdur Razzak Tai, of Florida, was indicted November 30, 2010 on charges that he engaged in a scheme to submit fraudulent claims involving the diet drug Fen Phen. Tai was charged in connection with his review of the echocardiograms of more than 1,100 patients who filed claims with the American Home Product Settlement Trust in Philadelphia. According to the indictment, Tai falsely certified that these patients' tests showed that they had sustained heart damage when, in fact, many of these claimants had not been harmed. If convicted, Dr. Tai faces a maximum penalty for sentence of 260 years in prison.

CRIMEBUSTERS: SECRET SERVICE

An interview with Special Agent-in-Charge Cynthia Wofford, with the Philadelphia Field Office:
-What is the mission of the United States Secret Service?

To safeguard the nation's financial infrastructure and payment systems to preserve the integrity of the economy, and to protect national leaders, visiting heads of state and government, designated sites and National Special Security Events. While most people associate the Secret Service with presidential protection, its original mandate was to investigate the counterfeiting of U.S. currency. Today the agency's primary investigative mission is to safeguard the payment and financial systems of the United States. Since 1984, the investigative responsibilities have expanded to include crimes that involve financial institution fraud, computer and telecommunications fraud, false identification documents, **access device fraud**, advance fee fraud, electronic funds transfers and money laundering as it relates to the agency's core violations.

-How did you decide to join the US Secret Service?

I was raised in a very patriotic, public service family. I knew early on that I wanted a career in federal law enforcement. The dual mission of the Secret Service - Protection and Investigation - presented me with the opportunity to do many different kinds of things. The best part of my job is to be able to serve the public by aggressively fighting crime and witness history in the making at the same time.

-What do you consider the most important function of the US Secret Service?

The Secret Service has long understood the importance of building trusted relationships with other law enforcement agencies. Building an atmosphere of trust and cooperation is central to the prevention-oriented approach that is the keystone to fulfilling both our protective and investigative missions. The law enforcement community shares a common understanding that securing our homeland and protecting our citizens – whether from terrorists or criminals – is both a national and a local issue. No government agency, no matter how large, no matter how well funded can accomplish this alone.

How does the general public reach the US Secret Service if they have a question or want to report an activity for investigation?

Our website is: www.secretservice.gov. People can also check the Blue Pages in any local telephone book for contact information for your local Secret Service Field Office. The Philadelphia Field Office can be reached at: 215/861-3300.

HATE CRIMES CONFERENCE

On November 10, 2010, the U.S. Attorney's Office and the Civil Rights Division of the U.S. Department of Justice hosted a day-long training on Investigating and Prosecuting Hate Crimes. The conference was designed to educate law enforcement, prosecutors, community advocacy groups, and victim service providers about identifying, investigating, and prosecuting federal hate crimes. Keynote speaker Dave O'Malley, the former Chief of Police for the Laramie Wyoming Police Department, oversaw the investigation into the death of Matthew Shepard, a University of Wyoming student who was murdered in 1998 because he was gay. The murder increased awareness of the need for a federal hate crimes law to cover all people, including those who are gay, lesbian, bi-sexual, and transgender. In October of 2009, President Obama signed into law the Matthew Shepard and James Byrd, Jr., Hate Crimes Prevention Act, which among other things, strengthens existing federal hate crime laws to cover offenses motivated by a victim's actual or perceived gender, sexual orientation, gender identity, or disability. In addition to Shepard, the Act was named in remembrance of James Byrd, Jr., a Texas man who was dragged to death behind a pickup truck because he was black. Over the past decade, the number of reported hate crimes has remained steady, at just under 7,800 annually nationwide, a number the Justice Department finds far too high.

CRIME & PUNISHMENT:

Charged:

Carlo Daniel Castro, an Inspector with the Philadelphia Police Department, was charged November 4, 2010 in an extortion and bribery scheme. According to the indictment, Castro invested \$90,000 in a real estate opportunity. When the deal failed and Castro was unable to recoup the money from the business partner, he sought help in collecting the debt. The helper Castro contacted was cooperating with the FBI. Castro instructed that person to hire a "collector" to use threats of violence and violence to collect \$150,000 from the debtor for a fee. Castro instructed that his identity not be disclosed, saying "I can't get myself in trouble. I want to be Police Commissioner." Castro ultimately accepted three payments totaling more than \$21,000, all of which he thought had been collected from the former business partner by way of threatening violence or actually using violence. If convicted of all counts, Castro faces a maximum sentence of 80 years in prison.

BMR Development LLC, d/b/a Cardboard Hill LLC, DiSabatino Landscaping and Tree Service Inc., Down to Earth Landscaping, Radley Run Country Club, Inc., and Village Green Landscaping, were charged, November 12, 2010, with engaging in a pattern and practice of hiring and employing unauthorized aliens. The case stems from an investigation in which International Personnel Resources, Inc. ("IPR"), located in West Chester, PA, was charged with visa fraud for shuttling illegal workers through the immigration system to obtain temporary work visas.

An indictment was filed, November 4, 2010, charging Pamela Ann Mills, of Reading, with embezzling approximately \$1.5 million from her employer. According to the indictment, Mills stole the money from Synergy Software, Maxwell Resources, Inc., in Reading Pennsylvania, while employed there between 2000 and July 2008. Mills

allegedly used the money to pay for her personal lifestyle and expenses. The indictment further charges that defendant Mills failed to report the substantial additional taxable income resulting from her embezzlement on her federal income tax returns. Mills is charged with 18 counts of mail fraud, two counts of wire fraud, and three counts of filing false federal income tax returns for calendar years 2006, 2007, and 2008.

On November 18, 2010, eight people were indicted in connection with a sophisticated loan fraud scheme that caused losses of approximately \$53 million at Equipment Finance, LLC. Charged with conspiracy to commit mail fraud and mail fraud were: Joseph M. Braas, Mary C. Stankiewicz, Michael J. Schlager, Misty L. Kroesen, Curtis A. Kroesen, John Wiley Spann, Harold W. Young, and John S. Tomberlin. The indictment alleges that from 2001 through 2007, the defendants looted EFI accounts and falsified EFI's books. Braas and Schlager allegedly led the conspiracy. During the conspiracy, employees made EFI appear more profitable than it actually was. Spann, Young, and Tomberlin are also charged with conspiracy to commit money laundering and money laundering.

On October 6, 2010, Allie Speight, Maurice Thomas, Jerome Manker, and Andre McCrea were charged with conspiracy to commit wire fraud, wire fraud, bank fraud, conspiracy to commit money laundering, making false statements on loan applications, bribery of bank employees, and identity theft. The indictment alleges that Speight and Maurice Thomas orchestrated a scheme to induce others to obtain loans as straw borrowers in return for receiving a percentage of the loans. Jerome Manker allegedly received funds from the loans for construction and rehabilitation work that he never performed. Speight and Thomas received at least 10 percent of the loan proceeds that they helped to broker.

According to the indictment, over \$3 million in loans were obtained during the course of the charged conspiracy.

An indictment was unsealed October 6, 2010, against members of the so-called "Harlem Boys", charging them in a conspiracy to participate in a racketeering enterprise and other crimes. In addition to the RICO conspiracy, the 73-count indictment charges attempted murder in aid of racketeering, Hobbs Act robbery, carjacking, assault in aid of racketeering, numerous substantive drug offenses, and firearms offenses that include use of firearms during the commission of violent crimes and drug crimes. The indictment alleges that 17 defendants, led by Terrance Hamm, began running a violent drug operation in and around the Bartram Village Housing Development in Southwest Philadelphia in 2001. If convicted, each defendant faces a mandatory minimum sentence of 10 years in prison with some facing life terms.

Sentenced:

On October 8, 2010, Neal D. Saferstein, 37, of Mount Laurel, NJ, was sentenced to 276 months in prison for running a multi-million dollar telemarketing scam that defrauded as many as 400,000 small businesses out of as much as \$75 million. Saferstein was the President and Chief Executive Officer of GoInternet.net, Inc., which did business at 20 N. Third Street, and 6 Strawberry Street, in Philadelphia. Codefendant Tyrone L. Barr was sentenced to one year in prison. Codefendant Billy D. Light was sentenced to three years probation. In addition to the prison term, U.S. District Court Judge Cynthia M. Rufe ordered Saferstein to pay the Federal Trade Commission Civil judgment of \$58 million, and to pay a \$100,000 fine.



Sidenote:

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www.justice.gov/usao/pae



DID YOU KNOW that you can sign up for email updates from the Department of Justice? Go to www.justice.gov to find out how or to stay connected to DOJ on Facebook and Twitter.



If you believe you may be a victim of a federal crime, the U.S. Attorney's website has more information on whom to call to file a report. Go to www.justice.gov/usao/pae for help.