



FEDERAL NOTES

Six Guilty in Navy Contract Fraud Scheme



Ralph M. Mariano was a senior systems engineer with the U.S. Navy Naval Sea Systems Command (NAVSEA) in Newport. From 1999 to 2011, he used his position to direct **Russell Spencer**, a computer software specialist, to submit millions of dollars in fraudulent invoices to a Navy contractor, Advance Solutions for Tomorrow (ASFT), for purported subcontracting work that was never actually performed. Mariano directed ASFT to pay Spencer the full amount of false invoices with money that ASFT had received from the Navy.

Through this scheme, Mariano and coconspirators fraudulently obtained almost \$18 million and directed Spencer to distribute it to Mariano and his relatives and associates. He received about \$3,000,000 in Navy funds in checks generated through Spencer.



Between 2004 and 2011, he also received biweekly \$3,500 in cash payments from Spencer. Spencer covered the fraudulent transactions with doctored documents from another Navy contractor.

Mariano steered \$2.5 million to his father, **Ralph Mariano, Jr.**, \$1.7 million to his brother, Joseph Mariano, \$205,000 to a veterinary laboratory company controlled by his sister, Michelle Mariano, and \$2.4 million to entities controlled by **Anjan Dutta-Gupta**, who was the Chief Executive Officer of the now defunct ASFT. Mariano also directed \$479,000 to a company owned by attorney Mary O'Rourke.



Mariano pleaded guilty to conspiracy and defrauding the U.S. Government. Spencer, Ralph Mariano Jr, Dutta-Gupta, O'Rourke and **Pat-**



rick Nagle, who was the CFO of ASFT, also pleaded guilty to federal offenses for their roles in the contract fraud. All six defendants are awaiting sentencing.

The fraud scheme was investigated by Defense Criminal Services, Naval Criminal Investigative Service, the FBI, and the Internal Revenue Service, Criminal Investigations. It was conducted as part of President Obama's Financial Fraud Enforcement Task Force. *Assistant U.S. Attorneys Lee H. Vilker, Terrence P. Donnelly and Dulce Donovan.*

TRAINING FOCUSES ON HUMAN TRAFFICKING

About 40 federal, state and local law enforcement officers from Rhode Island and Southeastern Massachusetts attended a training session on human trafficking that was sponsored by U.S. Attorney Peter F. Neronha and Rhode Island Attorney General Peter F. Kilmartin. Federal and state prosecutors reviewed current laws governing human trafficking. Agents from Immigration and Customs Enforcement and the U.S. Department of Labor shared techniques to identify trafficking and conduct investigations.



Human trafficking is estimated to be a \$32 million international industry and is among the world's fastest growing criminal enterprises. The United States is one of the primary destination points. According to ICE, in its worst manifestation human trafficking is akin to modern-day slavery. Victims pay to be illegally transported into the United States only to find themselves in the thrall of traffickers. They are forced into prostitution, involuntary labor and other forms of servitude.

As indicated at the training, which was held at the Amica Mutual Insurance Company's Lincoln Campus, local law enforcement and first responders are often the first link to uncovering trafficking schemes.

For tips on recognizing signs of human trafficking: <http://www.ice.gov/human-trafficking/>

Former state prosecutor joins U.S. Attorney's Office

U.S. Attorney Peter F. Neronha has appointed Pamela E. Chin an Assistant U.S. Attorney. Ms. Chin is a former Rhode Island Assistant Attorney General.

Assistant U.S. Attorney Chin has been assigned to the Narcotics Unit (OCDETF), where she prosecutes cases alongside another former state prosecutor, Assistant U.S. Attorney Paul F. Daly, Jr., who recently became chief of that unit. Between them, they have more than 35 years of experience as prosecutors.

"I am extraordinarily pleased that Pam Chin has joined the office," U.S. Attorney Neronha said. "She is a talented, experienced, and thoroughly professional attorney, with a long, impressive record in public service."



Assistant U.S. Attorney
Pamela E. Chin

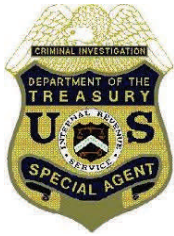
During her 13 years with the Rhode Island Attorney General, Ms. Chin prosecuted a wide variety of cases, ranging from narcotics and firearms offenses to organized crime, sexual assault, robbery and homicide. At various times she supervised the District Court Unit and the Narcotics and Organized Crime Unit. She prosecuted cases in Providence, Kent, Washington and Newport Counties.

Ms. Chin received a B.A. degree from Mount Holyoke College and a law degree from the Washington College of Law at American University.

CRIMINAL DOCKET SHEET

Tax preparer violated court order barring him from tax business

Michael Brier owned the tax firm Refunds Now, Inc. IRS agents determined that at least 300 tax returns prepared by Brier's firm contained fabricated deductions and credits. A federal judge permanently barred Brier and his employees from preparing tax returns. About a month after the court order, IRS agents, acting on information that Brier continued to prepare tax returns, executed a search warrant at Refunds Now. They also interviewed tax filers who confirmed that Brier's firm had prepared returns after the date of the court order. Brier pleaded guilty to criminal contempt and tax evasion, admitting that he underreported his taxable income by \$1.1 million over a five-year period. A federal judge sentenced him to 27 months in prison and ordered him to pay \$400,000 in back taxes. *Assistant U.S. Attorney Richard B. Myrus.*



Bank robber pleads guilty to nine robberies

Over the course of seven months, **Justin Worley** committed robberies at eight financial institutions in Rhode Island and one in Seekonk. Often bearded, wearing what appeared to be a wig and trying to dis-



guise a tattoo on one of his fingers, he threatened tellers and demanded money. His robberies netted a total of about \$32,000. Police departments in Barrington, Cranston, North Providence, Pawtucket, East Providence and Seekonk investigated the robberies. East Providence Police arrested him at a motel in Seekonk after a detective spotted ve-



hicles matching the description of those that had been seen in the vicinity of some of the robberies. Worley pleaded guilty to the nine robberies and is detained awaiting sentencing. *Assistant U.S. Attorneys William J. Ferland and Paul F. Daly, Jr.*

Two sex offenders sentenced to prison for failing to register

In separate cases, a federal judge sentenced convicted sex offenders to prison for failing to register as sex offenders as required by the Sex



Offender Registration and Notification Act (SORNA). Warwick Police couldn't locate **Corey Kidd**, a Level II sex offender, at his registered Warwick address and learned that he had vacated the apartment. He was arrested two months later in Florida. He pleaded guilty in federal court in Rhode Island to failing to register

and a judge sentenced him to 30 months in prison. **Danny Mendoza** pleaded guilty to violating SORNA after moving from Providence to Massachusetts and failing to register there. A federal judge sentenced him to 18 months in prison. *Assistant U.S. Attorney Richard W. Rose.*

SORNA, The Sex Offender Registration and Notification Act was enacted in 2006 as part of the Adam Walsh Child Protection and Safety Act. It established federal standards for sex offender registration. It requires offenders to keep registrations current in each jurisdiction in which they live, work or attend school. For more information:

http://www.nsopw.gov/?AspxAut_oDetectCookieSupport=1

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CRIMINAL DOCKET SHEET

Child pornography produced outside the U.S.

The Rhode Island Internet Crimes against Children Task Force (ICAC) executed a search warrant at the Providence home of **Juan Carlos Santiago** and seized computer equipment, digital storage devices and a digital camera. Based on GPS coordinates embedded in photographs, a forensic analyst at the State Police Computer Crimes Unit determined that several images of Santiago engaged in sexual activity with a prepubescent child had been taken in the Dominican Republic. Santiago admitted that he recorded the images and transported them to the United States. He also recorded sexually explicit video chat sessions with minors. He pleaded guilty to child pornography charges and awaits sentencing. *Assistant U.S. Attorney Adi Goldstein.*



Former Chariho High School coach sentenced for child pornography

A federal judge sentenced **Glenn Matteson** to five years in prison for possessing and distributing child pornography. The charges stemmed from a father's report to Richmond Police that he had found on his son's cell phone sexually graphic text messages from Matteson, an assistant coach on the Chariho soccer team. Using the boy's phone, Richmond Police exchanged text messages with Matteson and arrested him when he appeared for a supposed meeting with the boy. A search of Matteson's computer equipment revealed sexually explicit text messages and nearly 1,000 still and video images depicting child pornography. Matteson pleaded guilty to child pornography charges. *Assistant U.S. Attorney John P. McAdams.*



Guilty plea in child pornography production and distribution

David Crisostomi used a prepubescent child to record pornography. He also downloaded and shared child pornography with others. After the FBI's Innocent Images unit discovered his activities, agents from the Rhode Island Internet Crimes against Children Task Force (ICAC) executed a search warrant at Crisostomi's East Providence residence. They seized still images and videos depicting child pornography. Crisostomi pleaded guilty to federal child pornography charges and is awaiting sentencing. *Assistant U.S. Attorney John P. McAdams.*



FEDERAL DRUG AND GUN CASES

Two guilty in heroin deals that led to seizure of 19 kilograms

Jorge Daniel Estrada of Providence and **Angel Feliz** of Dorchester were traffickers at different points in a heroin pipeline. On consecutive days, Estrada gave an individual in Providence a kilogram of heroin. Providence Police and DEA Task Force agents arrested Estrada after the second transaction and subsequently found an additional 17 kilograms of heroin at his residence. Feliz arranged to meet the person to whom Estrada had given the heroin to take possession of the two kilograms and agents monitoring the transaction arrested him at the meeting site. Estrada and Feliz pleaded guilty to heroin trafficking. A federal judge sentenced Estrada to 180 months in prison and Feliz to 70 months. *Assistant U.S. Attorney Sandra R. Hebert.*



Four sentenced for cocaine shipments sent through the mail

As a result of mail monitoring by the U.S. Postal Inspection Service, four Providence-based defendants who received packages of cocaine in the mail in unrelated cases, pleaded guilty to drug trafficking charges. **Alex Ruiz** accepted a package containing two kilograms of cocaine. He was sentenced to 84 months in prison. **Luis M. Camilo** accepted a controlled delivery of a package containing a kilogram of cocaine and was sentenced to five years in prison. **Jorge Antonio Falcon-Ortiz** was sentenced to 78 months in prison for receiving two shipments of cocaine. And **Jamal L. Boleman** was sentenced to 84 months after he accepted delivery of at least two packages of cocaine. The cocaine had been mailed from either Puerto Rico, or in Boleman’s case, California. The Rhode Island State Police High Intensity Drug Trafficking Area Task Force (HIDTA) assisted USPIS in the investigations. *Assistant U.S. Attorneys Sandra R. Hebert and William J. Ferland.*



Guns and drugs lead to 57-month prison term

Richard Paulino maintained a drug stash house at a residence on Miller Avenue, Providence. When Providence Police executed a search warrant there, they found 107 grams of powder cocaine, 15 grams of crack, a .22 caliber handgun, a .45 caliber handgun, ammunition and \$1,460 in cash. They also found material used to prepare and sell crack cocaine. Paulino pleaded guilty to crack cocaine trafficking and being a felon in possession of a firearm. He had a prior state felony drug conviction. A federal judge sentenced him to 57 months in prison. *Assistant U.S. Attorney Milind M. Shah.*



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FEDERAL DRUG AND GUN CASES

Felon sentenced to prison for fraudulently purchasing guns

A firearms dealer refused to transfer ownership of a handgun to **Harold Moody** after discovering a lengthy criminal record that Moody had failed to disclose. Moody then used his wife as a straw purchaser to buy two guns for him. Additionally, ATF agents made several undercover purchases of marijuana from Moody. A court-authorized search of Moody's home resulted in the seizure of two .45 caliber pistols, about two ounces of marijuana and marijuana trafficking equipment. He pleaded guilty to marijuana trafficking and being a felon in possession of firearms. A federal judge sentenced him to eight years in prison. *Assistant U.S. Attorney Milind M. Shah.*



Pawtucket felon sentenced to 10 years for a machine gun

Providence Police received early morning calls about gunfire in a residential neighborhood. An officer in an unmarked car spotted a car that was leaving the area run through a stop sign. When the officer tried to stop the vehicle, it sped away onto I-95. It crashed while exiting the highway in Pawtucket. The driver, **Isaiah Gasperini**, fled on foot but was caught and arrested after a struggle. Responding officers found a loaded 9 millimeter machine gun near the abandoned vehicle. From the vehicle, they seized more than 120 rounds of ammunition, duct tape, gloves and a ski mask. At the time, Gasperini was on federal supervised release after being sentenced to 110 months in 2003 for being a felon in possession of a firearm. He pleaded guilty to the most recent firearms offense and a federal judge sentenced him to 132 months in prison — 120 months for the machine gun offense and an additional 12 months for violating the terms of his supervised release. *Assistant U.S. Attorney Milind M. Shah.*



Drugs and a gun found among children's toys

Providence Police narcotics detectives executed a search warrant at **Henry Lee's** residence. They found crack cocaine and marijuana hidden among children's toys in a nightstand drawer. A .38 caliber handgun and a bag of ammunition were stashed in a "Girl Gourmet" cupcake mixer box. Detectives also seized a bullet-proof vest from a kitchen closet. Lee pleaded guilty to drug and firearms charges. A federal judge sentenced him to 15 years in prison as an armed career criminal. Lee had three prior felony convictions that qualified him as an armed career criminal: two drug trafficking convictions and a felony assault in which he threatened a woman with a gun. *Assistant U.S. Attorney Ly T. Chin.*



FEDERAL DRUG AND GUN CASES

Pair guilty in international smuggling of anabolic steroids

Operating out of his Coventry home, **Edmond Paolucci** served as a U.S. confederate of an Israeli-based drug distribution ring. Anabolic steroids were shipped from Israel, Turkey and Bulgaria to post office boxes in southern New England. Using confederates in Rhode Island, including codefendant **Patrick Cunningham**, Paolucci repackaged the drugs into retail-size packets, which he then shipped to customers who had ordered the drugs over the Internet. A significant portion of the proceeds went to coconspirators in Israel. After an investigation by a Task Force led by the Food And Drug Administration, Office of Criminal Investigations, Paolucci pleaded guilty to money laundering and trafficking in steroids and misbranded drugs. A federal judge sentenced him to 33 months in prison. Cunningham pleaded guilty to trafficking in steroids and a misbranded drug and awaits sentencing. *Assistant U.S. Attorney Richard B. Myrus.*



Previously convicted felon sentenced to 12 years for heroin and firearms

The DEA Task Force spent five months looking into **Abel Perez's** heroin trafficking business, making several controlled heroin purchases from him. Agents detained Perez as he left his Cranston home, whereupon he consented to a search of his vehicle, his Cranston residence and another residence in Johnston. From a secret compartment behind the car's radio, agents seized more than 500 grams of heroin and a loaded .22 caliber handgun. At the two residences, agents seized additional heroin, a .357 handgun, assorted ammunition and \$7,000 in cash. Perez, who had prior drug trafficking convictions, pleaded guilty to heroin trafficking, being a felon possession of a firearm and using a firearm to further drug trafficking. A federal judge sentenced him to a total of 12 years in prison: 84 months for the drug offenses and a consecutive 60 months for being a felon in possession of a firearm. *Assistant U.S. Attorney Adi Goldstein.*



Ten-year sentence for career offender trafficking in oxycodone

Pawtucket detectives and DEA Task Force agents executed search warrants at **Audi Pineda's** Pawtucket home and at a barber shop where he worked. At his barber shop work station, agents seized 33 oxycodone pills and three cell phones. At his home, agents found twelve grams of cocaine in a hidden compartment in a basement wall, and in another location, \$36,000 in cash. During a two-day trial, the jury reviewed text message exchanges on the cell phones detailing Pineda's drug activities.



The jury convicted him of trafficking in oxycodone. With several prior convictions, Pineda was deemed a career offender, and a federal judge sentenced him to ten years in prison. *Assistant U.S. Attorney Milind M. Shah.*

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