



PRESS NOTICE

BILL NETTLES
UNITED STATES ATTORNEY
DISTRICT OF SOUTH CAROLINA

*1441 Main Street, Suite 500 * Columbia, SC 29201 * (803) 929-3000**

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FOR IMMEDIATE RELEASE

CONTACT PERSON: BETH DRAKE
Beth.Drake@usdoj.gov
(803) 929-3000

FINAL MEMBER OF 1.8 MILLION UPSTATE FRAUD SCHEME PLEADS GUILTY

Columbia, South Carolina ---- United States Attorney Bill Nettles stated today that Rose M. Church, age 42, of Spartanburg, South Carolina, pled guilty today in federal court to violation of Title 18, United States Code, Section 1349, which criminalizes use of the mails to further a scheme or artifice to defraud. United States District Judge J. Michelle Childs of Greenville accepted the plea and will impose sentence after she has reviewed the presentence report which will be prepared by the U.S. Probation Office. Church is the 40th member of the conspiracy to enter a guilty plea.

Evidence presented at the change of plea hearing established that the United States Postal Inspection Service and local law enforcement have been

conducting an investigation into a wide-spread check fraud conspiracy operated by Hope Mitchell, who was sentenced to 57 months imprisonment for her role in the scheme. The scheme used by the conspiracy was simple and resulted in large losses. The leaders of the conspiracy, many of whom were from Mitchell's family, recruited indigents in the Union and Spartanburg, South Carolina areas to participate in the scheme. Typically, Hope Mitchell or one of her lieutenants would take the recruit to SCDMV where the recruit's ID would be changed to list a conspiracy-controlled address as the recruit's residence. With the new ID in hand, the recruit was taken to a bank to open an account. The account was opened with a small amount of money such as \$25 and the recruit would then order checks which were mailed to the conspiracy-controlled address listed on the recruit's ID.

Once the conspiracy received checks in the mail, the recruit was located and taken "shopping." Members of the conspiracy accompanied the recruit and directed the purchase of expensive items such as lawn mowers, power tools, and computers. At the cash register, a member of the conspiracy filled in the check and signed it for the recruit. The recruit just showed his or her ID to the cashier. Typically, the recruit did not sign the check and was instructed by the conspiracy's leaders to later report the checkbook stolen. Because the signature on the check did not match the signature card, the leaders of the conspiracy falsely informed the recruit that civil or criminal liability could be avoided. The account would have insufficient funds to cover the checks written and thus

merchants would suffer the loss of the merchandise. After the merchandise was obtained, members of the conspiracy would sell the items for far below the retail price. The money from these sales was split among the conspirators. Law enforcement estimates that the conspiracy caused losses in excesses of \$1.8 million.

Church worked for Hope Mitchell and was one of the more prolific check passers used in the conspiracy. Church traveled as far away as Myrtle Beach, South Carolina, to pass worthless checks for the benefit of the conspiracy.

Mr. Nettles stated the maximum penalty Church can receive is a fine of \$250,000 and/or imprisonment for 20 years, plus a special assessment of \$100.

The case was investigated by agents of the United States Postal Inspection Service and multiple local law enforcement agencies in Greenville, Spartanburg, Union, and York counties. Assistant United States Attorney William J. Watkins, Jr. of the Greenville office handled the case.

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