
U.S. Department of Justice



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DEFENDANT IN INVESTMENT FRAUD CASE SENTENCED

(Newport News, VA) - Chuck Rosenberg, United States Attorney, Eastern District of Virginia, announces the sentencing of Gertrude Armstrong Golden, age 56, on April 18, 2006, to forty-two months confinement and \$147,000.65 in restitution.

The FBI received information that Golden had stolen money from the investors through a number of false representations about projects handled by various charitable and for-profit organizations connected to the defendant, including the Maude Ellen Coates Armstrong (MECA) Foundation; Orlando Community Development Corporation (OCDC); and Management Action System Services, Inc. (MASS). Acting through MECA and OCDC, the defendant induced over ten victims from Virginia, North Carolina, and Maryland to send her investment money for use in building houses in an at-risk neighborhood located in Suffolk, Virginia and other charitable projects. Golden, acting through MASS, also induced two victims from North Carolina to give her money for investment in a Nigerian oil project premised on new technology that would more accurately track the amount of oil being produced by Nigerian wells.

On almost all of these investments, Golden promised her victims large returns, usually doubling their money, in a short amount of time, usually 90-120 days. Golden failed to tell her victims that she was actually stealing the investment money and using it for her own expenses. Throughout the scheme, Golden conducted various financial transactions and used multiple bank accounts in an attempt to cover up her fraudulent conduct.

The FBI conducted a detailed investigation and prepared in-depth summaries of Golden's financial affairs, showing the investment funds being used for the defendant's personal expenses, as opposed to the charitable projects she used to entice the investors. Overall, Golden stole over \$147,000 from lenders and investors in this scheme.

As a result of this investigation, Golden was charged in a seven-count indictment on August 9, 2005. Counts one through six of the indictment charged Golden with committing wire fraud and money laundering. Count seven charged the defendant with bankruptcy fraud for failing to accurately reveal her income derived through this scheme in connection with a 2002 bankruptcy case.

Golden proceeded to trial on January 10, 2006. At trial, fifteen witnesses testified during the government's case-in-chief, including seven victims who described how Golden falsely secured their trust and investment money through a number of false representations about projects handled by MECA, MASS, and OCDC. Members of the MECA and OCDC Board of Directors also testified and told the jury that the defendant had not informed them about her investment scheme or the false representations she had made to the investors and lenders. At the conclusion of a week-long trial, the jury convicted Golden on all counts charged in the indictment.

Yesterday, Golden appeared before United States District Judge Raymond A. Jackson for sentencing. Judge Jackson sentenced the defendant to 42 months confinement in federal prison, followed by a three-year term of supervised release. Judge Jackson also ordered Golden to pay \$147,000.65 in restitution to the victims of her offenses.

The investigation was conducted by the Peninsula Resident Agency of the Norfolk Division of the Federal Bureau of Investigation. Assistant United States Attorney Michael Gill prosecuted the case for the United States.

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