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TWO PLEAD GUILTY TO FRAUD AND MONEY LAUNDERING SCHEME

Greenbelt, Maryland - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced today that Wayne Jackson, age 40, of Upper Marlboro, Maryland, and Ritza Whatley, age 40, of Highland, Maryland today pled guilty to related charges stemming from a fraud and money laundering scheme that victimized an elderly Washington, D.C. couple. The victims, Joseph and Josephine Vellone, lost more than \$2 million – nearly all of their life savings – in the scheme.

In a statement of facts provided to the court as part of the plea agreements, Jackson admitted that he was a senior investment representative for First Union Bank, as well as a member of Sapphire Ministries, Inc. (“Ministries”), a local religious organization then located in Beltsville, Maryland. As part of the scheme, Jackson represented to the Vellones that he was a financial advisor who would provide financial planning and investment advice. Jackson induced the Vellones to consolidate their retirement monies into accounts at First Union Bank and other local banks, and to give money to Ministries and Kids in His Care Christian Day Care, Inc. (“KIHC”), a day care center

located adjacent to Ministries. Jackson convinced the Vellones that the monies were to be used for charitable purposes related to the operation of the Ministries and KIHC, when in fact the Vellone monies were then transferred from those accounts to Jackson for his personal gain.

Among other things, Jackson used monies obtained from the scheme for a down payment on property located at 11610 Bonaventure Drive, Upper Marlboro, Maryland and to purchase a 1996 Toyota Landcruiser. As part of his plea agreement, Jackson agreed to forfeit his interest in those properties.

In related cases, Whatley, the president and treasurer of Ministries and corporate president of KIHC, agreed to plead guilty to one count of filing a false tax return in connection with her purchase of a 1997 Jaguar, which the government alleged in a separate civil forfeiture complaint was purchased with money she fraudulently obtained through Jackson from the Vellones. Whatley also agreed to forfeit four bank accounts containing more than \$300,000; eight cars, including a 1999 Rolls Royce, and a house located at 13047 Hall Shop Road in Highland, Maryland, which the government alleged were purchased with funds taken from the Vellones.

Sentencing is scheduled for July 22, 2003. Jackson faces a maximum sentence of 5 years and a \$250,000 fine. Whatley faces a maximum sentence of 3 years and a \$250,000 fine.

The case is the result of an investigation by the Internal Revenue Service – Criminal Investigation and the United States Secret Service Metro Area Fraud Task Force and prosecuted by Assistant U.S. Attorneys David I. Salem and Stuart A. Berman.