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## NEWS RELEASE

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### **SACRAMENTO MAN PLEADS GUILTY TO FAILING TO APPEAR**

Sacramento—United States Attorney McGregor W. Scott announced today that MICHAEL F. EGAN, 63, of Sacramento, pleaded guilty to one count of failing to make a required court appearance after being released on pretrial supervision.

According to Assistant United States Attorney Philip Ferrari, who is prosecuting the case, EGAN was indicted in 2003 on multiple counts of mail fraud, money laundering, and the filing of false tax returns. That indictment, which was the product of an extensive joint investigation by the Federal Bureau of Investigation and the Internal Revenue Service—Criminal Investigations, alleged that EGAN was the main figure behind a fraudulent high-yield investment scheme which cost investors millions of dollars.

During the pendency of that case, EGAN was able to secure his release when his mother offered to post her home as security for a \$350,000 bond. EGAN fired two attorneys and sought multiple continuances of his case. On October 10, 2006, EGAN pleaded guilty to one count of mail fraud and one count of filing a false income tax return in connection with the scheme and was sentenced to 70 months in prison, restitution of \$6.8 million, and a three-year term of supervised release.

Soon after entering his guilty pleas, however, he filed a motion to withdraw his plea, filed additional documents challenging the jurisdiction of the court, and left the state without notifying the court—in violation of his conditions of pretrial release. He failed to appear at the hearing for his motion

to withdraw his plea on May 22, 2007. Through his attorney, he promised to appear at a second hearing set for May 24, 2007. Once again he failed to appear, and a warrant was issued for his arrest. When he learned that the Government had moved to forfeit the property posted to secure his release, EGAN returned to the Eastern District of California from North Carolina where he had been living.

“Mr. Egan, like all defendants who are released pending trial, was warned by the court that any failure to appear would have consequences,” said U.S. Attorney McGregor Scott. “Defendants need to know that the court’s warnings mean something, and that if they fail to appear, this United States Attorney’s Office will prosecute them for that offense.”

The maximum statutory penalty EGAN faces for failing to appear is five years in prison and a \$250,000 fine. Any sentence imposed will be served in addition to the 70 month sentence the defendant already received in connection with his mail fraud scheme. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

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