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**SEVEN DEFENDANTS INDICTED IN ALLEGED RACKETEERING CONSPIRACY
FOR ROLES IN REGIONAL ROBBERIES, BERWYN PIPE-BOMBING, ILLEGAL
GAMBLING AND OBSTRUCTION OF JUSTICE INVOLVING TWO SUBURBAN COPS**

CHICAGO – Five new defendants, together with two others who were initially charged last year with using a pipe bomb to damage a Berwyn video and vending machine business in 2003, were indicted on sweeping racketeering conspiracy charges alleging eight years of criminal activity, federal law enforcement officials announced today. The charges encompass at least nine armed robberies and thefts, arson, illegal gambling and obstruction justice, including by current and former suburban police officers who are among the seven defendants. New defendant, **Michael Sarno**, allegedly oversaw, directed and guided certain of the group's illegal activities, including causing previously-charged defendants **Mark Polchan** and **Samuel Volpendesto**, to bomb C & S Coin Operated Amusements, a video gaming device business in Berwyn, to eliminate competition and to protect and enhance the group's own business relationships, according to the indictment.

The indictment alleges that the seven defendants were associated in a criminal enterprise that existed since at least 2001 to generate income for its members through illegal activities, including: committing armed robberies and thefts from jewelry stores, businesses and private residences;

transporting stolen goods across state lines; committing thefts and obtaining stolen items from interstate shipments of goods; purchasing, possessing and selling stolen goods; using threats, violence and intimidation to advance the enterprise's illegal activities; committing arson; operating and facilitating illegal gambling businesses, including the use of video gambling machines; obstructing justice and criminal investigations by tampering with and intimidating witnesses; obstructing justice and criminal investigations by gathering information about the existence and extent of ongoing federal criminal investigations from sources including corrupt local law enforcement officers and law enforcement databases; and traveling in interstate commerce to further the goals of the criminal enterprise.

The indictment seeks forfeiture of at least \$1,878,172 from six of the seven defendants as proceeds of the alleged racketeering activity.

Law enforcement agents yesterday executed federal search warrants at more than two dozen suburban locations, including bars and restaurants, in connection with the ongoing investigation.

The 12-count superseding indictment was returned on May 21 and unsealed today, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Andrew L. Traver, Special Agent-in-Charge of the Chicago Office of the Bureau of Alcohol, Tobacco, Firearms and Explosives; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago.

All seven defendants, including four currently in custody, will be arraigned at later dates in U.S. District Court.

Sarno, 51, of Westchester, also known as “Big Mike,” “Mikey,” “Large,” and “the Large Guy,” allegedly oversaw the group’s illegal gambling ventures and received a share of the illegal profits from Polchan, 41, formerly of Justice, who also occupied a leadership role. The indictment alleges that Polchan identified targets for robbery and used his business, a sole proprietorship operating under the names “M. Goldberg Jewelers,” and “Goldberg Jewelers,” located at 1203 South Cicero Ave., in Cicero, to conduct meetings with criminal associates, as well as to obtain, store, and sell stolen goods that were either transported across state lines, obtained through robbery or thefts from interstate shipments, or obtained through the fraudulent use of access devices, such as credit cards.

Polchan also used Goldberg Jewelers to plan the group’s illegal gambling activities with Sarno, and to temporarily house video gambling devices prior to distributing them to various locations, including clubhouses operated by the Outlaws Motorcycle Club, of which Polchan was a member.

Polchan and Volpendesto, 85, of Oak Brook, remain in federal custody since they were arrested and charged last summer with participating in the bombing of C & S Coin Operated Amusements. On Feb. 25, 2003, a pipe bomb was detonated outside a building at 6508 West 16th St., in Berwyn, that housed several businesses, including C & S, which at the time leased coin-operated vending and video machines. The explosion outside the storefront entrance to C & S caused broken windows and damage to the interior ceiling and wood frame above the doorway to the business. No one was injured in the explosion, which occurred at night. The new indictment contains the same three counts — conspiracy to use, and actual use of, an explosive device to damage property, and use

of a pipe bomb — that were pending against them previously. Polchan and Volpendesto have both pleaded not guilty to those charges.

Also indicted were:

James Formato, 42, a former Berwyn police officer who allegedly acted as an interstate courier for stolen money; conducted physical surveillance of potential targets of illegal activity under the guise of carrying out his duties as a police officer; participated in an attempted armed robbery; and provided information concerning ongoing law enforcement investigation into illegal enterprise activity, including the bombing of C & S Coin Operated Amusements;

Mark Hay, 52, who allegedly participated in robberies of jewelry stores; identified potential targets for robbery; participated in the surveillance of robbery targets; and acquired stolen vehicles for use in robberies;

Anthony Volpendesto, 46, Samuel Volpendesto's son, who also allegedly participated in robberies of jewelry stores; identified potential robbery targets; and participated in the interstate transportation of stolen goods; and

Dino Vitalo, 40, a Cicero police officer since 1991, who allegedly caused law enforcement databases to be used to provide information about potential targets of illegal activity and ongoing federal law enforcement investigations; provided advice on possible federal law enforcement activity; searched the area surrounding Goldberg Jewelers for electronic surveillance equipment used by federal law enforcement; and filed a false police report in order to provide a false alibi for other members of the conspiracy.

As part of the racketeering conspiracy, the indictment alleges that one or more of the defendants participated in robberies, some armed, of jewelry stores and commercial businesses in Illinois, Indiana and Wisconsin, and in some instances caused stolen jewelry to be transported across state lines. The robberies included the:

- ▶ May 23, 2002, robbery of items valued at approximately \$60,000 from Jacqueline's Jewelry in Valparaiso, Ind.;
- ▶ June 6, 2002, robbery of items valued at approximately \$48,000 from Husar's House of Fine Diamonds in West Bend, Wis.;
- ▶ July 9, 2003, armed robbery of items valued at approximately \$78,221 from Uffenbeck Jewelers in Fond du Lac, Wis.;

- ▶ July 24, 2003, armed robbery of items valued at approximately \$236,902 from LD Jewelers, in Hickory Hills, Ill.;
- ▶ April 26, 2001, robbery of The Gold Mine Jewelry Store, in St. Charles, Illinois, the stolen items having a total value of approximately \$29,780;
- ▶ May 1, 2002, robbery of items valued at \$239,752 from Lenna Jewelers in Hinsdale;
- ▶ March 2003 attempted armed robbery of an individual who resided in Berwyn; and the
- ▶ Aug. 25, 2003, armed robbery of items valued at approximately \$645,517 from Marry Me Jewelry Store in LaGrange Park.

And one or more defendants allegedly participated in the 2002 residential burglary of a home on Rockwell Street in Chicago, stealing approximately \$540,000, of which at least \$150,000 was later transported to Florida.

In addition to the racketeering conspiracy against all seven defendants, Sarno and Polchan were charged with operating an illegal gambling business between 2002 and at least July 2008.

Formato alone was charged with one count of conspiracy to obstruct of justice, while Polchan and Vitalo were charged together in a separate count with conspiracy to obstruct justice. Polchan alone was also charged with one count of possession of stolen goods from interstate shipments; three counts of filing false individual federal income tax returns; and one count of failing to file a federal income tax return.

An earlier defendant in this investigation, Kyle C. Knight, 45, formerly of Merrillville, Ind., who was charged in 2007, has pleaded guilty to supplying explosives used in the C & S bombing and a series of robberies, and he is cooperating while awaiting sentencing.

Federal officials said the investigation is continuing, and they commended the assistance of the Berwyn Police Department. The government is being represented by Assistant U.S. Attorneys T. Markus Funk and Amarjeet S. Bhachu.

If convicted, the charges in the indictment carry the following maximum terms of incarceration: racketeering conspiracy — 20 years; conspiracy to use an explosive device to damage property and using an explosive device to damage property — a mandatory minimum of 5 years and a maximum of 20 years; using a pipe bomb — a mandatory consecutive sentence of at least 30 years and a maximum of life; obstruction of justice — 20 years; operating an illegal gambling business — 5 years; possession of goods stolen from interstate shipments — 10 years; filing false tax returns — 3 years; and failing to file a tax return — 1 year. In addition, each count carries a maximum fine of \$250,000, except the failing to file count, which is a misdemeanor and carries a maximum fine of \$100,000. Defendants convicted of tax offenses must be assessed mandatory costs of prosecution and remain liable for any back taxes, interest and penalties owed. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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