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News Release

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Operator of two South St. Paul trucking companies pleads guilty to defrauding drivers out of money

MINNEAPOLIS – Earlier today in federal court, the operator of two South St. Paul trucking companies pleaded guilty to defrauding contracted truck drivers out of money. Marlon Louis Danner, age 66, of Inver Grove Heights, specifically pleaded guilty to one count of wire fraud in connection to the crime. In entering his plea, Danner, the operator of Danner, Inc., and Bull Dog Leasing, Inc., admitted misleading the truck drivers into returning to him settlement funds they received pursuant to an agreement between him and the Minnesota Department of Transportation (“MnDOT”). Danner was indicted on December 21, 2010.

Through his companies, Danner provided trucks and drivers for road construction projects throughout Minnesota. In 2008 and 2009, he supplied drivers for the Minnesota Highway 120-Century Avenue reconstruction project. That project was partially funded with federal funds. As a result, Danner was required to pay a mandated wage rate to the drivers. The allocation of those funds was overseen by MnDOT and the Federal Highway Administration.

Authorities investigated Danner's compliance with the mandated wage rate and determined he had underpaid his drivers. In February of 2010, he reached a settlement with the MnDOT relating to that dispute. Under the terms of the settlement, he was to issue company checks totaling more than \$185,000 to 27 drivers, each check representing wages underpaid to that particular driver. Danner provided the checks to MnDOT for distribution, and the checks were mailed to the drivers, by MnDOT, on March 2, 2010.

On February 27, 2010, however, Danner telephoned many of the drivers, instructing them, either implicitly or explicitly, to return the settlement funds to him upon their receipt of them. He informed the drivers that MnDOT had made a mistake in concluding they had been underpaid. Thus, the funds they were about to receive were not theirs to keep. In entering his plea today, Danner admitted that they representations were false, and that he knew them to be false when he

made them. He also admitted he made the representations with the intent to defraud the drivers out of the money they were about to receive.

Consequently, from March through May of 2010, many of the drivers contacted Danner's office manager for information on how to return the settlement funds. The office manager, acting on Danner's instructions, directed the drivers to make payment in the settlement amount to various companies controlled by Danner. The drivers then were provided with false receipts for those payments. The receipts indicated the money was for fuel, rent, or shop repairs, so as to conceal that the settlement funds were being returned. By June 3, 2010, Danner had received more than \$120,000 of the approximately \$185,000 in settlement funds he originally had provided through MnDOT. Moreover, Danner failed to disclose the repayments to MnDOT.

For his crime, Danner faces a potential maximum penalty of 20 years for wire fraud. United States District Court Judge Patrick J. Schiltz will determine his sentence at a future hearing, yet to be scheduled.

This case is the result of an investigation by the Federal Bureau of Investigation, the MnDOT Labor Compliance Unit and the U.S. Department of Transportation-Office of Inspector General. It is being prosecuted by Assistant U.S. Attorney Nancy E. Brasel.

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