

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
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Newark, New Jersey 07102

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***Ralph J. Marra, Jr., Acting U.S. Attorney***

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FOR IMMEDIATE RELEASE  
Feb. 27, 2009

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Pomona, N.Y. Man Indicted in \$4.2 Million Equipment-Leasing  
Scheme; Lenders Lose More than \$3 Million

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(More)

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NEWARK, N.J. – A New York man was indicted today for allegedly orchestrating a \$4.2 million broadcasting equipment lease and financing scheme that caused losses of more than \$3 million for major lenders, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

David A. Moro, 49, of Pomona, is named in the 34-count Indictment with conspiracy to defraud, among others, lenders CFC Investment, based in Cincinnati, Ohio; Hewlett Packard Financial Services, based in Murray Hill, N.J.; Santa Barbara Bank and Trust, based in Santa Barbara, Calif.; Wells Fargo Equipment Finance, Inc., in Minneapolis, Minn.; Citi Capital, based in Moberly, Mo.; The CIT Group, based in Livingston, N.J.; American Express Business Finance Corporation, based in Houston, Texas; ACC Capital Corporation, based in Salt Lake City, Utah; Diamond Lease (USA), Inc., based in New York; and Bank of the West, based in San Francisco.

Moro is also charged with six counts of mail fraud, five counts of wire fraud, three counts of bank fraud (Santa Barbara Bank and Trust, Bank of the West, and Cathay Bank, based in Flushing, New York), 17 counts of money laundering involving monetary transactions over \$10,000, and two counts of making false statements in a matter within the jurisdiction of the FBI and Internal Revenue Service.

Moro has been out on bail since a criminal Complaint was filed against him in federal court in November 2007 on more limited charges. Moro will be required to make an initial appearance in federal court in Newark sometime over approximately the next 10 days.

As detailed in the conspiracy and fraud charges, Moro was the Chief Executive Officer for Inchon LLC, based in Englewood Cliffs, N.J. During the period from 2003 through 2005, Moro allegedly approached the victim lenders, directly and through brokers, seeking to induce the lenders to purchase a total of more than \$4.2 million of purported high-end broadcasting equipment, as part of lease-financing agreements with Inchon LLC.

Moro allegedly advised lenders that Inchon LLC, and its subsidiary Russian Radio Network LLC, needed the broadcasting equipment in order to upgrade and expand its ethnic radio programming. As proof of his need for financing, Moro allegedly presented the lenders and brokers with fraudulent equipment invoices reflecting that Smart Function LLC, based in Parsippany, N.J., as well as other purported vendors, had provided Inchon LLC with new high-end Digital Audio Servers, when in fact, Moro supplied S.M., the owner and operator of Smart Function, with the necessary hardware and software to assemble the equipment, at a fraction of the represented cost.

According to the Indictment, at times Moro caused fraudulent equipment invoices to be sent to lenders and brokers which represented that the Digital Audio Servers had been provided, when in fact, this equipment did not exist. On these occasions, when the lenders arranged for inspections before funding the leases, Moro allegedly instructed S.M. to place new serial numbers on old Digital Audio Servers when the lenders sent inspectors to verify the existence of what they believed to be newly purchased broadcasting equipment.

According to the Indictment, Moro also caused fraudulent lease applications and supporting

documents to be submitted to the lenders and brokers which falsely represented the income, assets and business associations of an individual who was falsely portrayed to the lenders and brokers as the 100 percent owner of Inchon LLC.

After the lease financing agreements were executed and funded by the lenders, Moro ceased making the required lease payments on behalf of Inchon LLC, resulting in a loss to the Lenders in excess of \$3 million, according to the Indictment.

The money laundering charges stem from the movement of funds from Smart Function LLC to Inchon LLC. Moro allegedly used the laundered funds to pay personal and unrelated business expenses.

Despite the Indictment, the defendant is presumed innocent unless and until proved guilty beyond a reasonable doubt.

Marra credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dunn, and Special Agents of the IRS Criminal Investigation Division, under the direction of William P. Offord, for the successful investigation leading to the Indictment.

The government is represented by Assistant U.S. Attorney Leslie Faye Schwartz of the U.S. Attorney's Office Strike Force Unit in Newark.

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Defense Counsel: Anna Cominsky, Esq., Newark, N.J.