

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



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

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Contact:

Michael Drewniak, PIO
973-645-2888

owoeye0220.rel

FOR IMMEDIATE RELEASE

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Newark Man Pleads Guilty to Stealing Retirement Funds from 401(k) Accounts and Laundering the Proceeds

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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NEWARK – A Newark man pleaded guilty today to wire fraud conspiracy, money laundering conspiracy and theft in connection with a scheme to steal funds from the 401(k) retirement accounts of seven victims, Acting U.S. Attorney Ralph J. Marra, Jr. announced.

Maxwell Owoeye, who claims to be 23 and whose trial on a 36-count superseding Indictment was to begin on March 17, admitted conspiring with several others during 2006 and 2007 to steal funds from 401(k) retirement accounts sponsored by a major U.S. company and managed by outside financial institutions. The company, Northrop Grumman, covered the victims' losses by reimbursing them more than \$800,000.

Owoeye, a Nigerian citizen in the U.S. on an expired visa, admitted today that, as a portion of his proceeds of the fraud, he received a black BMW X5.

Owoeye pleaded guilty before U.S. District Judge Katharine S. Hayden to one count of mail fraud conspiracy, which carries a maximum statutory penalty of 30 years in prison and a fine of \$1 million, one count of money laundering conspiracy, with a maximum statutory penalty of 20 years in prison and a fine of \$500,000, and one count of theft, which carries a maximum statutory penalty of five years in prison and a fine of up to \$250,000.

Under the advisory U.S. Sentencing Guidelines, Owoeye faces an actual sentencing range of between 57 and 71 months in prison. Owoeye will also be required to pay restitution to the victims and may be deported after serving his sentence. The guidelines are advisory only, and Judge Hayden has discretion in imposing a sentence within, above or below the guidelines range.

Owoeye admitted that he and his co-conspirators gained access to seven different retirement accounts using confidential customer identity information. They stole the information through a co-conspirator, Rasheed Mustapha, who worked as a customer service representative at a Little Falls call center for the 401(k) plans.

Mustapha and three co-defendants are all named in the same superseding Indictment to which Owoeye pleaded guilty. Mustapha is a fugitive and is being sought.

After taking over the retirement accounts, Owoeye and his conspirators tried to clean them out by having rollover checks issued, mailed to members of the conspiracy, and deposited into bank accounts controlled by them under various aliases in New Jersey, Pennsylvania, Georgia and Arizona. Through the scheme, Owoeye and his conspirators fraudulently obtained more than \$750,000 in checks from the retirement accounts and managed to withdraw substantial proceeds from the checks before Owoeye was arrested.

on March 13, 2008. Northrop Grumman Corp. made whole the retirement accounts that were cleaned out, including interest payments, and incurred more than \$800,000 in losses as a result.

In addition to Owoeye, eight other residents of New Jersey, New York and Pennsylvania who participated in this scheme have pleaded guilty thus far in related cases: Yuksel Bakar, Na'eem Blackston, Terrell Brunson, Ozer Bilgi, José Cantero, Adeyemo Popoola, Joseph Prempeh and Gursel Yilmaz.

Marra credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun in Newark, with the investigation. In addition, Marra thanked Special Agents of the U.S. Secret Service, under the direction of Special Agent in Charge Cynthia Wofford; Postal Inspectors with the U.S. Postal Inspection Service, under the direction of Postal Inspector in Charge David Collins, and the Los Angeles Regional Office of the U.S. Department of Labor's Employee Benefits Security Administration, for their assistance in the investigation.

The case is being prosecuted by Assistant U.S. Attorneys Mark Coyne and Grace Park in the U.S. Attorney's Office Commercial Crimes Unit.

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Defense Counsel for Owoeye: Florian Miedel, Esq., New York.