



Department of Justice

United States Attorney Carter M. Stewart
Southern District of Ohio

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CONTACT: Fred Alverson
614-469-5715

CONTRACTOR SENTENCED TO 40 MONTHS IN FEDERAL PRISON FOR DEFRAUDING CINCINNATI COMPANY OUT OF MORE THAN \$1.6 MILLION

CINCINNATI – Vernon Menifee, 40, of Marietta, Georgia was sentenced here to 40 months imprisonment for defrauding Cincinnati-based Schottco Corporation and Schott Leasing Company out of \$1,686,647.30 between 2006 and 2008. Menifee was also sentenced to a consecutive term of 36 months in prison for violating the terms of his supervised release on a prior federal conviction for bank fraud and tax evasion.

United States Attorney Carter M. Stewart of the Southern District of Ohio and Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation (FBI), Cincinnati Division announced the sentenced handed down yesterday by United States District Judge Sandra Beckwith.

Menifee pleaded guilty on January 25, 2010 to one count each of wire fraud, loan fraud, and conspiracy to commit loan fraud. According to the statement of facts filed in court, Menifee befriended the executor of the estate of former Cincinnati Reds' owner Marge Schott, who controlled her foundation. Menifee leased 13 vehicles through Schott Leasing without paying the debt and borrowed money from Schottco Corporation allegedly to be used for construction projects for Hurricane Katrina victims that were never finished. Menifee used over \$300,000 of the borrowed money to open a bar in Cincinnati called DZIRE and never repaid any of the loans, after setting up a wire fraud scheme to transfer money from the Schottco accounts to his personal accounts.

Court records also revealed that Menifee made several false statements, including falsely claiming that there were no pending judgments against him when he applied to Countrywide in 2007 for a loan connected with his property in Marietta, Georgia. In September, 2006, the U.S. District Court here had ordered him to pay restitution of \$895,872 as part of his sentence for conviction on tax evasion and bank fraud charges in connection with a mortgage fraud scheme.

Local law enforcement authorities in Georgia arrested Menifee in Marietta on April 10, 2009 for violating the conditions of his supervised release from his prior federal conviction. He has been in custody since his arrest.

Following his prison term in this case, along with the consecutive prison sentence for the parole violations, Menifee will spend three years on supervised release. He was ordered by the Court to pay mandatory restitution to Schottco in the amount of \$930,647.30 and to return all vehicles to Schott Leasing.

Stewart commended the FBI agents who investigated the case, and Assistant U.S. Attorney Jennifer C. Barry, who prosecuted the case.

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