



Department of Justice

United States Attorney's Office
Western District of Texas

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MIDLAND PIPE SALESMAN SENTENCED TO FEDERAL PRISON IN WIRE FRAUD SCHEME

United States Attorney Robert Pitman announced that this afternoon in Midland, 41-year-old Michael Eugene LaFoy, of Midland, was sentenced to 37 months in federal prison followed by three years of supervised release and ordered to pay \$407,000 restitution for committing a wire fraud scheme involving sales of non-existent oilfield pipe.

As part of his guilty plea on June 20, 2012, LaFoy admitted that in February of 2012, while doing business as "LaFoy Pipe," he negotiated and agreed to sell \$155,000 worth of 4½ inch oilfield pipe to Arvine Pipe and Supply (Arvine) in Norman, Oklahoma. Though Arvine made full payment via wire transfer, the pipe was never delivered. LaFoy acknowledged in his guilty plea that at the time he negotiated the sale, he knew he had no realistic ability to deliver the pipe, but pretended otherwise to acquire the payment. In response to Arvine's complaints and demands, LaFoy also admitted sending numerous emails in February falsely promising Arvine that delivery of the pipe was imminent.

As part of his sentence, LaFoy was ordered to make full restitution to Arvine, as well as to pay restitution to three other oilfield companies he defrauded in a similar manner during this same time period, including Brandvik Pipe and Equipment of Borger, Texas; Tycoon Operating of Plano, Texas; and, May Oilfield Pipe of Overton, Texas.

Federal court records reflect that in 2005, LaFoy had been previously convicted of wire fraud in the United States District Court for the Western District of Texas, Midland-Odessa Division.

The case was investigated by the FBI's Permian Basin Oilfield Theft Task Force, which consists of federal agents as well as law enforcement officers from the Midland County Sheriff's Office and the Andrews County Sheriff's Office. Assistant United States Attorney John S. Klassen prosecuted the case on behalf of the Government.

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