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**SENTENCES HANDED DOWN IN INTERNATIONAL  
MULTI-MILLION DOLLAR FRAUD SCHEME**

CHARLESTON, W. Va. – United States Attorney R. Booth Goodwin II announced today that three individuals were sentenced for their roles in a multi-million dollar, international fraud and money laundering scheme targeting vendors of state governments, including West Virginia. Robert M. Otiso, 36, of Elk River, Minnesota, was sentenced to 72 months in prison for conspiracy to commit mail and wire fraud; Paramena J. Shikanda, 35, of Minneapolis, Minnesota, was sentenced to 46 months in prison for conspiracy to commit money laundering; and Collins K. Masese, 21, of St. Paul, Minnesota, was sentenced to 9 months in prison for conspiracy to commit money laundering.

“Today represents a victory for taxpayers,” said United States Attorney Booth Goodwin. “When the state itself is defrauded, we all suffer. Money taken from the public treasury is money not available for schools, roads, and police and fire departments. That is why this case was such a priority for my office.”

“I am very proud of the swift response and thorough investigation conducted by the federal and state investigators, and the aggressive prosecution of Susan M. Robinson, Chief of the White Collar Crime Section in my office,” Goodwin continued. “Their work, no doubt, prevented additional significant losses to the victims.”

The convictions stem from a joint federal investigation following the diversion of millions of dollars from the State of West Virginia. Specifically, the defendants, all Kenyan nationals, devised a scheme in late 2008 in Kenya, which resulted in the diversion of \$3.379 million from the states of West Virginia, Kansas, and Ohio, and the Commonwealth of Massachusetts to bank accounts controlled by the co-conspirators. The funds were intended for legitimate vendors as payment for goods and services. The investigation revealed that in excess of \$770,000 was wired to bank accounts in Kenya.

The scheme targeted vendors who received significant payments from the states on a routine basis. In order to execute their scheme, co-conspirators located in the United States filed documents creating dummy entities with names similar to the legitimate vendors. Fraudulent bank accounts were then created in the names of the targeted vendors. With information acquired through the

Internet and otherwise, direct deposit authorization forms were completed for the targeted vendors, including Deloitte Consulting LLP; Unisys Corporation; Accenture LLP; and Electronic Data Systems, Inc. Authorization forms were then mailed to the states along with voided starter checks on the fraudulent accounts. The direct deposit authorization forms purported to authorize the states to send electronic payments for goods and services to the targeted vendors. The fraudulently submitted forms were intended to and did cause several states to route payments to the fraudulent bank accounts established by the co-conspirators, thereby allowing the defendants to hijack legitimate vendor payments.

In April and May 2010, two other Kenyan nationals entered guilty pleas to charges stemming from their roles in the fraud scheme. Michael M. Ochenge, 33, and Albert E. Gunga, 30, both of Minneapolis, Minnesota, pleaded guilty to conspiracy to commit money laundering. They are scheduled to be sentenced on August 26.

The investigation was conducted as a part of President Obama's Financial Fraud Enforcement Task Force by the United States Secret Service; Internal Revenue Service, Criminal Investigation Division; United States Postal Service; U.S. Immigration and Customs Enforcement; and West Virginia Commission on Special Investigations. The investigation was assisted by other federal, state, and local law enforcement agencies in North Carolina and Minnesota, including the North Carolina State Bureau of Investigation, the Minnesota Financial Crimes Task Force, and the Minneapolis, Edina, and Elk River Police Departments. Assistant United States Attorney Susan M. Robinson is handling the prosecution.

President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement agencies who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

United States District Judge John T. Copenhaver, Jr. presided over the proceedings.

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