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TWO ARIZONA MEN SENTENCED TO PRISON FOR ELABORATE SECURITIES AND TAX FRAUD SCHEME

Pair ordered to pay \$9.4 million for scheme involving publicly traded company

PHOENIX - Ira W. Gentry Jr., 53, of Scottsdale, Ariz. and Randy W. Jenkins, 51, of Glendale, Ariz., were sentenced yesterday by U.S. District Judge Susan R. Bolton to 15 years in prison and 7.5 years in prison, respectively. As part of the sentence, Gentry and Jenkins were also ordered to forfeit assets that they acquired by virtue of their crimes, including a 2006 Mercedes Benz vehicle and approximately \$2,000,000 in cash from various accounts and investments. In addition, the court entered a money judgment against the pair in the amount of \$9,469,841.74. Gentry was ordered to pay \$3300, and Jenkins \$2100, in court imposed financial assessments. The court set May 19, 2009 as the date it will consider requests for restitution by individual victims.

In September 2008, Gentry and Jenkins were convicted of securities and tax fraud relative to an elaborate scheme to defraud UniDyn Corporation's investors, the Securities and Exchange Commission and the Internal Revenue Service. After a four week trial and two days of deliberation, a federal jury in Arizona found Gentry guilty of 33 counts, including conspiracy, tax evasion, wire fraud, securities fraud and money laundering, but acquitted him of one count of wire fraud and two counts of money laundering. Jenkins was convicted on 21 counts, including conspiracy, tax evasion, wire fraud, securities fraud and money laundering, but acquitted of one count of wire fraud and three counts of money laundering.

"The complex investigation and prosecution of these defendants evidences the great lengths they went through to defraud hundreds of unsuspecting investors and conceal their crimes," stated U.S. Attorney Diane J. Humetewa. "We appreciate the great work by IRS investigators and the help by the Department of Justice Tax Division with our efforts to hold these two accountable for defrauding public stockholders for their personal gain."

"Unfortunately, the unmitigated greed, that drove Gentry and Jenkins to perpetrate their plunderous scheme, has become all too common," stated Andrea Whalen, Special Agent in Charge, IRS Criminal Investigation Division in Arizona. "The IRS will continue to vigorously investigate these serious financial crimes that threaten the health and integrity of our financial and tax systems, as well as the confidence of our citizenry."

According to the indictment and evidence presented at trial, Gentry was the CEO and a member of UniDyn Corporation's board of directors. Gentry conspired with Jenkins, a disbarred Arizona attorney, to secretly acquire approximately 20 million shares of UniDyn stock. They then artificially inflated the value of the stock through the filing of misleading UniDyn SEC filings,

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through the filing of false corporate income tax returns, and through the issuance of false and misleading press releases. In order to conceal their activities, Gentry and Jenkins used aliases, offshore nominee entities, Canadian brokerage accounts, nominee bank accounts and false tax identification numbers.

From December 1997 through April 2003, Gentry and Jenkins sold more than 3.9 million shares of UniDyn common stock held in nominee names for more than \$9 million. Gentry and Jenkins used the illegal proceeds to purchase assets in the name of nominee entities including a \$1.2 million Scottsdale residence, a \$139,000 Mercedes, a \$62,000 custom Trans Am and \$300,000 in gold and silver coins. Neither Gentry nor Jenkins reported the income they earned from the stock sales to the IRS, let alone paid taxes on the unreported income. The tax loss associated with the scheme exceeded \$1.5 million.

The investigation in this case was conducted by the IRS, Criminal Investigation Division. The prosecution was handled by Frank T. Galati, Assistant U.S. Attorney, District of Arizona, Phoenix and Department of Justice Tax Division trial attorney Michael Vasiliadis.

CASE NUMBER: CR-06-0464 PHX-SRB
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