

U.S. Attorney's Report to the District

Victims of Financial Fraud

Prosecuting financial crimes is a major priority of this office. In the last few months, we concluded cases involving hundreds of victims and tens of millions of dollars in losses. Deepal Wannakuatte, a Sacramento businessman, was sentenced this month to 20 years in prison and ordered to forfeit all of his properties and assets in a case that may have been the largest Ponzi scheme in the history of the district, causing losses of over \$100 million to 150 victims. Last month, Vincent Singh of Elk Grove was sentenced to over 15 years in prison for operating a Ponzi scheme that grossed \$20 million from 190 victims. Also in October, the second of two defendants who ran a nationwide foreclosure rescue scheme that stripped scores of victims of their homes and netted at least \$15 million was sentenced to ten years in prison. His brother, the leader of the scheme, had been sentenced a month earlier to 35 years in prison. In another case, three men were sentenced in September to 30 years, 20 years and 10 years, respectively, for fleecing at least 240 victims of \$37 million. That same month, two prosecutors in this office were recognized at a Washington award ceremony for last year's prosecution of Anthony Vassallo, who was sentenced to 16 years for a Ponzi scheme that took in over \$80 million from 400 victims. In the sentencing proceedings in all of these cases, victims spoke up to remind prosecutors, judges and the public of the extreme devastation wrought by these crimes.

It has long been the policy of the Department of Justice that prosecutors should consult with victims and seek restitution on their behalf. That was always part of my practice in prosecuting fraudsters as an Assistant U.S. Attorney. But the role of victims in federal criminal cases was strengthened with the enactment of the Crime Victims' Rights Act in 2004, and corresponding changes to the rules of criminal procedure in 2008. Crime victims now have the right to participate directly in sentencing proceedings, and the Victim/Witness Unit in our office works to facilitate access to the court so that their voices are heard.

Those victims have a visceral impact in the courtroom. They speak with eloquence and anguish about betrayals that sundered their trust in fellow humans and destroyed the dreams they held for their future and their children's future. They tell of the physical and emotional toll of financial ruin, of the shame of facing loved ones whose funds have been taken, and of the searing guilt associated with losing a business, or the family home, or a child's college fund. Sentencing hearings that used to focus on defendants now revolve around the devastated lives of their victims.

This testimony is painful for victims, but it makes a difference. Sentences of 15, 20, or 30 years in non-violent financial crimes are now common. The voices of victims also serve to remind us as prosecutors of why we do what we do, and to infuse our search for justice with a strong dose of passion.

If you would like to communicate with our office, contact the main number in Sacramento, or submit a suggestion by clicking on the button below. Thank you.

United States Attorney

Benjamin B. Wagner