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District of Arizona*

FOR IMMEDIATE RELEASE
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Public Affairs
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CORONA DE TUCSON MAN PLEADS GUILTY TO MAIL FRAUD, MONEY LAUNDERING, AND CURRENCY STRUCTURING

TUCSON – Philip Mark Cain, 45, of Corona de Tucson, Arizona, plead guilty on December 14, 2011 to one count each of Mail Fraud, Engaging in an Illegal Monetary Transaction Greater Than \$10,000, and Structuring Transactions to Evade Currency Reporting Requirements.

Beginning in June 2008, the defendant, an individual financial advisor in Tucson, devised a scheme to defraud individual investors. Although the defendant told the investors that their funds would be invested in Deutsche bank structured notes, the defendant used the investors' funds for the unauthorized purchase of classic automobiles. The defendant opened business and personal banking accounts under the name Commonwealth Financial Services and deposited investor funds into these personal accounts. The total amount solicited by check or wire transfer was approximately \$1,452,985.00. The defendant also used the mails to send the investors fraudulent statements purporting to show the investment of their funds in Deutsche bank structured notes. Additionally, the defendant withdrew some of the investors' funds for his own unauthorized use in amounts less than \$10,000.00 to avoid the generation of Currency Transaction Reports that financial institutions must file for withdrawals of funds in the amount of \$10,000.00 or more.

The defendant is scheduled to be sentenced by U.S. District Judge Jennifer Guerin Zipps on February 22, 2012. The defendant is being held until sentencing. In determining the actual sentence, Judge Guerin Zipps will consult the U.S. Sentencing Guidelines and the plea agreement which provide appropriate sentencing ranges. Under the terms of the plea agreement, the defendant may be sentenced to a term of imprisonment between 46 and 57 months imprisonment.

The defendant has agreed to pay \$1,452,985.00, in restitution. In addition, the Court may impose a fine of up to \$250,000.00 for each of the mail fraud and money laundering offenses to

which the defendant plead guilty and a fine of up to \$500,000.00 for the currency structuring offense.

The investigation in this case was conducted by the Internal Revenue Service. The prosecution was handled by Danny N. Roetzel, Trial Attorney, Department of Justice Tax Division, and Jane L. Westby, Assistant U.S. Attorney, Tucson.

CASE NUMBER: CR 11-01015-TUC-JGZ (CRP)
RELEASE NUMBER: 2011-277(Cain)

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