U.S. Attorney's Office
District of Rhode Island

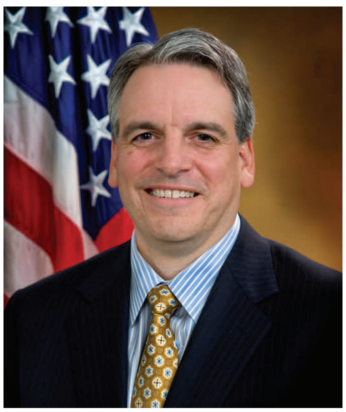
2013 – No. 3

FEDERAL NOTES

NERONHA'S NOTE

Friends:

As usual, this edition of Federal Notes is replete with examples of the good work you have done in conjunction with the men and women of this Office on behalf of the people of Rhode Island. Thank you again for your partnership, friendship and trust. There is much more to do, but then, there always is!


U.S. Attorney Peter F. Neronha

As you know, the Department of Justice has announced certain changes regarding charging and sentencing in drug cases, including cases involving marijuana. These changes were developed after considerable consultation with the field, and no doubt will impact cases already charged and those we will charge in the future. These changes do not mean, however, that this Office is no longer in the narcotics prosecution business generally, nor does it mean that significant, interstate marijuana trafficking organizations will not have our full and complete attention. What it does mean is that we will be thoughtful regarding the types of narcotics prosecutions we bring, and correspondingly thoughtful in fashioning an appropriate sentence recommendation for individual defendants. This Office, in consultation with our law enforcement partners, was moving in this direction in any

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LIFE SENTENCE IN HOBBS ACT ROBBERY, HOMICIDE

After a two-year appellate journey over the question of federal custody, and facing a potential death penalty, **Jason Pleau** pleaded guilty to the robbery and murder of Shell gas station manager David Main. A federal judge sentenced him to life imprisonment, from which there is no parole.

As he was about to go to trial, codefendant **Jose Santiago** pleaded guilty to his role in the robbery. He faces a possible life sentence.

In 2010, Santiago drove a white box truck from Springfield, Massachusetts to Woonsocket, where he met up with Pleau. Santiago parked the truck at the end of a cul-de-sac near a Citizens Bank branch on Diamond Hill Road. Meanwhile, Pleau waited near the bank for David Main to arrive to deposit the Shell station's receipts.

When the manager arrived, Pleau, brandishing a .38 caliber handgun, approached him and said, "Give me the dough." Main ran toward the bank and Pleau fired several shots at him, hitting him once in the head. Main collapsed from the bullet wound.

Pleau grabbed the bag, which contained $12,542, and fled to Santiago's truck.

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Neronha's Note (continued from Page 1)

event so I do not view these adjustments as a "sea change" in how we do business.

Changing gears, I want to extend a special thanks to Chief Tom Carey, Rhode Island State Police Superintendent Steven O'Donnell, and FBI Special Agent in Charge Vincent Lisi for the fine work of the officers, troopers, detectives, and agents in connection with the investigation and prosecution of Jason Pleau for the murder of David Main in September of 2010. That investigation involved a tremendous amount of on-the-ground law enforcement work, and every member of law enforcement involved performed brilliantly. The prosecution took far longer than it should have, for reasons beyond law enforcement's control. Yet over a long three years, three things stood out: the strength of the Main family, the dedication and talent of the law enforcement officers involved, and the commitment of the prosecutors to seeing this case through to the end.

Best,

Peter

Mike Iannotti, Veteran Prosecutor, Forfeiture expert, to retire

Michael P. Iannotti

Michael P. Iannotti, who has been with the U.S. Attorney's Office since 1982, an Assistant U.S. Attorney since 1984, and Civil Division Chief since 2009, will retire this year. Mr. Iannotti is recognized by the Department of Justice as one of its foremost experts in the field of asset forfeiture.

Among his cases was the Saccoccia money laundering case, which resulted in the forfeiture of millions of dollars in assets traced to Stephen Saccoccia, a Cranston coin dealer who laundered drug trafficking proceeds for Columbian cartels. Among the assets seized in that case were 83 bars of gold found at Saccoccia's mother's home in Cranston in 1997, five years after Saccoccia was arrested.

"Mike Iannotti has served the people of Rhode Island with distinction for more than 30 years," U.S. Attorney Peter F. Neronha said. "Though he had many areas of expertise, he was truly one of the Department's foremost experts in asset forfeiture, and was responsible for the return of millions of dollars to law enforcement agencies across the state. He has been a source of great strength to me during my tenure as United States Attorney, and his commitment to the work of this Office, and his talent and experience, will be sorely missed."

Assistant U.S. Attorney Iannotti was a key figure in the forfeiture by Google, Inc. of $500 million for illicitly accepting ads from rogue foreign pharmacies. Another case was the forfeiture of $2.7 million by the Chinese pharmaceutical manufacturer, GeneScience, which trafficked Human Growth Hormone in the United States.

Along the way, Assistant U.S. Attorney Iannotti taught asset forfeiture procedures in other U.S. Attorney's offices and was Asset Forfeiture Coordinator at the Executive Office for U.S. Attorneys.

Criminal Docket Sheet

Federal jury convicts Indiana man in "black money" scam

In a "black money" scheme, scammers persuade a victim that they're in possession of U.S. currency that has been died black to evade detection by customs officials. They coax the victim into providing real money to facilitate the conversion of the black money into usable currency. In reality, except for a few decoy bills of real currency, what they have is black construction paper and the object is to obtain the victim's real money. In 2011, an individual contacted the Secret Service about a black money scam and introduced an undercover agent to **Alvine Pennue**. They set up two deals, totaling $125,000, with Pennue and two confederates. After one of the confederates demonstrated a black money conversion for the potential victims, Pennue was arrested and charged with federal currency violations. Subsequently, another victim came forward and told agents that Pennue had duped him out of $5,000 in a black money scam, leaving him with a pile of black construction paper. A jury convicted Pennue and a judge sentenced him to 21 months in prison. Two codefendants are fugitives. *Assistant U.S. Attorney Richard W. Rose and Special Assistant U.S. Attorney Benjamin S. Towbin.*

A packet of "black money" seized in the investigation

Sex offender failed to register for a third time

State and federal laws require convicted sex offenders to register with local authorities in communities where they live and work. In 2010, Woonsocket Police discovered that **Christian Morales** was no longer living at his registered address. Morales had evaded registration before. After being convicted in 2006 of child molestation, he was arrested on state charges in 2008 and again in 2010 for failing to register with police in Pawtucket and Woonsocket. After Woonsocket Police found him missing from his registered address for the third time, he was traced to Blackstone, Massachusetts, where he was living with a woman and her four-year-old child. Having moved interstate, Morales was prosecuted federally under the Sex Offender Registaration and Notification Act (SORNA), pleaded guilty and was sentenced to 65 months in prison. *Assistant U.S. Attorney Mary E. Rogers.*

Guilty plea in Child Pornography

An undercover FBI agent in San Diego logged onto file sharing programs used to share child pornography. **Robert Brown** friended the agent from his home computer in Scituate and allowed the agent access to his files, which contained child pornography photographs and videos. FBI agents executed a search warrant at the residence and found laptop computers and storage devices containing about 2,300 still images and 32 videos of child pornography. Brown pleaded guilty to possessing child pornography and is free on bond awaiting sentencing. *Assistant U.S. Attorney John P. McAdams.*

Criminal Docket Sheet

Chinese national sentenced to prison for smuggling counterfeit cigarettes

A multi-agency investigation that reached Dubai and Miami foiled an attempt by **Ling Xiao Wei** to smuggle counterfeit cigarettes from China into Rhode Island. Wei arranged for the shipment of a twenty-foot cargo container containing 322 cases of counterfeit Marlboros. A bill of lading listed the shipment as "leather products." In exchange for the contraband, $112,400 was wired to Wei's account from bank accounts controlled by law enforcement. Agents of the Food and Drug Administration, Office of Criminal Investigation, and Homeland Security Investigations intercepted the container when it arrived in Miami. Lei then met in Miami with two individuals, one of them an undercover agent, to discuss that shipment and potential future shipments of counterfeit cigarettes and counterfeit Viagra. Wei pleaded guilty to causing the sale of counterfeit tobacco products and a federal judge sentenced him to 15 months in prison. *Assistant U.S. Attorneys Richard B. Myrus and Adi Goldstein.*

Armed robbery of West Greenwich bank lands two in federal prison

West Greenwich police officers and state troopers arrested **Craig Carey**, of Fall River, and **Louis R. Peters II**, of Vermont, shortly after an armed robbery at a Centreville Savings Bank. The two bandits, Carey wielding a .38 caliber handgun, accosted the bank manager as she arrived for work and ordered her to open the vault. When that could not be done, the robbers ordered employees to empty their cash drawers into a sack. The robbers fled the bank but were spotted by a witness who saw them again in a nearby wooded area and alerted police. Officers arrested Peters in a car and Carey on foot in the same vicinity. Both pleaded guilty to armed bank robbery and related charges. Peters was sentenced to 120 months in prison and Carey to 22 and 1/2 years. *Assistant U.S. Attorney Stephen G. Dambruch.*

Barber shop manager fraudulently obtained $230,000 in federal tax refunds

Over the course of a month, **Leticia Gonzalez** deposited 38 U.S. Treasury tax refund checks totaling more than $200,000 into her barber shop's bank account. She also arranged for at least four electronic tax refunds to be sent to the account. She generated a total of $231,065 in fraudulent refunds by filing false tax returns, using the identities of persons in Puerto Rico. Employers named in W-2 forms that Gonzalez forged said the named individuals had never worked for them. Gonzales pleaded guilty to embezzlement and is free on bond pending sentencing. *Assistant U.S. Attorney John P. McAdams.*

Federal Drug and Gun Cases

Fourteen-year sentence for career offender trafficking in heroin

Customs and Border Protection agents in Miami intercepted a package containing about 1.3 kilograms of heroin that was being shipped from Venezuela to a Pawtucket address. CPB forwarded the parcel to Homeland Security Investigations agents in Rhode Island. They removed the heroin and replaced it with a representative sample. Postal inspectors then made a controlled delivery of the parcel to its intended recipient, **Carlos Gonzalez.** After Gonzalez accepted and signed for the package, Rhode Island State troopers detained him as he was driving away from the area. Agents recovered the package from the apartment to which it had been delivered. Gonzales pleaded guilty to possessing heroin with intent to distribute. Based on prior convictions for drug trafficking and assaulting police officers, Gonzales was deemed a career offender, and a federal judge sentenced him to 14 years in prison. *Assistant U.S. Attorney Gerard B. Sullivan.*

Dominican organization trafficked in heroin; ten plead guilty; one convicted by jury

Cristian Jimenez was identified as a member of a Dominican organization that trafficked in heroin in Rhode Island. After an investigation by the FBI Safe Streets Task Force and the DEA Task Force, federal warrants resulted in the arrest of eleven defendants and the seizure of three kilograms of heroin, 200 grams of cocaine, $450,000 in cash, jewelry, five firearms and several vehicles containing "hides" for secreting drugs and cash. Ten defendants pleaded guilty to either drug trafficking or immigration charges, and a jury found Jimenez guilty of heroin trafficking. At his trial, federal prosecutors showed that Jimenez, also known as Alacran, bought and sold large quantities of heroin, directing its repackaging into street quantities for redistribution. Jimenez is detained awaiting sentencing. *Assistant U.S. Attorney Adi Goldstein, First Assistant U.S. Attorney Kenneth P. Madden.*

Prison sentence for accomplice in international steroid smuggling

Patrick Cunningham worked for **Edmond Paolucci,** repackaging anabolic steroids and misbranded prescription drugs that had been shipped from Israel, Turkey and Bulgaria to postal boxes in southern New England. The repackaged drugs were shipped to U.S. customers who had bought them through Web sites operated by Paolucci and accomplices in Israel. Over a two-year period, Paolucci transferred more than $76,000 in proceeds from the drug sales to Israeli accomplices. Paolucci and Cunningham both pleaded guilty to their roles in the smuggling operation. A federal judge sentenced Cunningham to 18 months in prison. Paolucci was sentenced to 33 months in prison. *Assistant U.S. Attorney Richard B. Myrus.*

FEDERAL DRUG AND GUN CASES

Gang member sentenced to federal prison for firearms violation

Nimara Seng became the first person in Rhode Island to be prosecuted under a federal statute prohibiting possession of firearms by anyone having been convicted of a domestic violence misdemeanor. Seng belonged to a street gang called the Providence Street Boyz. Providence Police and ATF agents seized a loaded 9 millimeter handgun from Seng's residence. He told police that he had bought the gun for protection. There had been drive-by shootings at Seng's residence and police had previously seized guns from other residents there. Seng had several prior misdemeanor convictions, one of which involved domestic assault of his girlfriend. Federal firearms law has long prohibited convicted felons from possessing firearms, and in 1996, Congress extended the prohibition to anyone convicted of a domestic violence misdemeanor. Seng pleaded guilty to the firearms offense and a federal judge sentenced him to 30 months in prison. *Assistant U.S. Attorney Milind M. Shah.*

Two sentenced for 832 grams of cocaine

A buyer who was cooperating with law enforcement arranged to buy $24,500 worth of cocaine from **Charlie Rosario.** Rosario arranged for another person to make the delivery to a Cranston residence. DEA Task Force agents and Cranston Police arrested the delivery man, **Julio Soto**, of Salem, Massachusetts as he delivered 832 grams of cocaine. Soto pleaded guilty to possession with intent to distribute of more than 500 grams of cocaine and was sentenced to five years in federal prison. The U.S. Marshals Fugitive Task Force later arrested Rosario in Taunton. He pleaded guilty to cocaine trafficking and was sentenced to 96 months in prison. *Assistant U.S. Attorney Milind M. Shah.*

Convicted drug trafficker stole firearms from a Portsmouth home

David Welch broke into a Portsmouth home and stole more than a dozen firearms, intending to sell them. Five days later, police officers executed a search warrant at Welch's home in Bristol and recovered five of the stolen guns. Welch admitted that he'd already sold several of the stolen firearms. Police have since recovered two of them. Welch has several prior state drug trafficking convictions and is thus prohibited from possessing firearms. He pleaded guilty to being a felon in possession of firearms and a federal judge sentenced him to 120 months in prison. *Assistant U.S. Attorney Milind M. Shah.*

Civil Docket Sheet

North Providence town official reimburses HUD, assessed a penalty for improper loans

Maria Vallee was the Acting Finance Director for North Providence. She arranged to obtain nearly $48,000 in home improvement loans through the Department of Housing and Urban Development Community Development Block Grant program. However, she and her husband earned a combined annual income of $125,000, more than twice the maximum family income of $58,550 for CDGB loan eligibility. The Vallees used the HUD loans to install new siding, a bay window, replacement windows and a new deck on their North Providence house. After an investigation by the HUD office of Criminal Investigation, the U.S. Attorney's office filed a civil complaint under the False Claims Act. Vallee had repaid the loans, which totaled $47,895, and under the terms of a consent decree, paid an additional penalty of $78,292. *Assistant U.S. Attorney Dulce Donovan.*

Hobbs Act Robbery, Homicide (continued from page 1)

Main died from the gunshot wound a short while later at Rhode Island Hospital.

A witness had observed a man in the driver's seat of the white truck as it was idling in the cul-de-sac and saw another man, carrying a sack, run out of the woods and jump into the truck, which then drove off. Suspicious, he wrote down its license plate number and reported it to police. Police traced the truck to a man who had loaned it to Santiago, and Santiago and Pleau quickly became suspects.

Santiago surrendered to Woonsocket Police after learning he was wanted. Pleau fled to New York City, where FBI agents and city police arrested him three days after the murder.

Pleau was quickly sentenced to 18 years in state prison as a parole and probation violator. The U.S. Attorney's Office filed federal charges in the robbery and filed a request with the ACI for federal custody under the Interstate Agreement on Detainers.

Appellate Journey

After Pleau was indicted and faced a potential federal death sentence, Rhode Island Governor Lincoln Chafee, citing Rhode Island's lack of a death penalty, denied the detainer request. Prosecutors then secured a Habeas Corpus order to obtain Pleau's custody and the appellate process began, ultimately ending with the First Circuit upholding the validity of the habeas order and the Supreme Court declining to hear the case.

Under Department of Justice policy, Pleau's agreement to plead guilty and be sentenced to life imprisonment effectively removed the potential death penalty from consideration.

Pleau and Santiago pleaded guilty to Hobbs Act conspiracy and robbery -- a robbery affecting interstate commerce, and using a firearm during a federal offense, resulting in death. A third defendant, **Kelly Marie LaJoie**, has pleaded guilty to her role in the robbery/murder and awaits sentencing. *Assistant U.S. Attorneys Adi Goldstein and William J. Ferland.*

U.S. Attorney's Office
Rhode Island

50 Kennedy Plaza, 8th floor
Providence, Rhode Island 02903
Phone: 401-709-5000
Fax: 401-709-5001

United States Attorney	Peter F. Neronha
First Assistant U.S. Attorney	Kenneth P. Madden
Civil Chief & Asset Forfeiture	Michael P. Iannotti
Criminal Chief	Stephen G. Dambruch
Deputy Criminal Chief / White Collar	Adi K. Goldstein
Narcotics (OCDETF)	Paul F. Daly, Jr.
Anti-Terrorism	Brian J. Pires
Law Enforcement Coordinator	Thomas Connell
Public Information	Jim Martin

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