



# FEDERAL NOTES

## *NERONHA'S NOTE*

This has been a difficult winter, and not just because of the snow and cold!

Of principal concern has been the rash of hero-



U.S. Attorney Peter F. Neronha

in overdoses throughout the state. At the time I am writing this, there have been 85 heroin related overdose deaths in Rhode Island. There have been many others that have not resulted in death. Some of the

heroin involved in these overdoses, particularly in the death cases, has been laced with fentanyl. This threat has demanded, and received, a coordinated law enforcement response. I am particularly grateful for our partnerships with the Rhode Island Police Chiefs' Association, led by Richmond Chief Elwood Johnson, the DEA, the Rhode Island State Police, and Rhode Island Attorney General Peter Kilmartin, in addressing this threat on multiple fronts. We are coordinating our efforts and sharing information as never before, and it is my hope that we will continue to see good law enforcement results in the months ahead. Yet we all recognize that arrests and prosecutions alone are insufficient to yield the results we need. This is why initiatives such as the pill-take back program, led by the DEA, Attorney General Kilmartin, and the Police Chiefs are so important.

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## **CIGARS AND GAMBLING TRIPS ON THE TAXPAYERS' TAB**

**Ralph M. Mariano** liked fancy cigars. He



bought \$100,000 worth of them. He also enjoyed trips to gambling meccas, such as Las Vegas and Aruba. Mariano financed his extravagance with U.S. taxpayers' money.

Mariano was a civilian engineer with the U.S. Navy Sea Systems Command (NAVSEA), stationed in Newport. Between 1996 and 2011 he bilked taxpayers out of



\$18 million through a phony subcontracting scheme he concocted with the help of codefendant **Russell Spencer**. Spencer set up dummy corporations that billed another contractor, Advanced Solutions for Tomorrow (ASFT), for work that was never performed.



According to documents filed in the case, Mariano orchestrated his scheme for "no reason other than greed" — to support an extravagant lifestyle. By 2011, Mariano was legally earning a salary of \$155,500 from the Navy.



Mariano directed Spencer to channel millions of dollars to Mariano's father and to companies controlled by his brother, sister and a long-time acquaintance.

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***NERONHA'S NOTE (FROM PAGE 1)***

Also, in recognition that abuse of prescription narcotics can lead to heroin use, we, will be hosting, with the Brown Medical School, the URI College of Pharmacy, the Rhode Island Medical Society, the Rhode Island Department of Health, DEA and the Rhode Island Attorney General's Office, a seminar for doctors, nurses and pharmacists regarding the responsible prescribing of opiates.

Another significant concern is the continuing emergence of cybercrime. Obviously, this is not only a Rhode Island issue; it crosses state and international borders. In my view, federal law enforcement in Rhode Island needs a more robust response, particularly in engaging with those most likely to be the target of this threat. We simply cannot rely on the proposition that it can't or doesn't happen in Rhode Island. We cannot ask our private and corporate citizens to seek guidance elsewhere. In the coming weeks, I will be asking our federal, state and local law enforcement partners to work with us in this effort.

Best,



Peter

## **VICTIMS TO BENEFIT FROM THE SALE OF CON MAN'S ASSETS**

The U.S. Marshals Service has netted \$740,000 from the sale of a Renoir painting and a custom-made Ford GT sports car that were seized from con man Rocco DeSimone. The money will go to DeSimone's victims as partial restitution. He was convicted in 2011 of bilking an inventor and investors out of more than \$6,000,000.



DeSimone convinced his victims to invest cash, property and forgiven debt by making false representations regarding the marketing of three inventions. Evidence showed that DeSimone used the money to fund a luxurious lifestyle that included world travel, high-end cars, art works and antique artifacts.



"Paysage a Cagnes," by Pierre Auguste Renoir, sold for \$551,000.



This custom-made Ford GT netted \$189,000 at auction.

U.S. Attorney Peter F. Neronha said, "Perhaps during his long years ahead in federal prison, the defendant can reflect on the fact that someone else is driving the fancy car and admiring the expensive painting he once enjoyed while looting the bank accounts of others."

DeSimone was sentenced to 16 years in prison and ordered to pay restitution totaling \$6,030,145. Items that he purchased with the bilked funds were seized by the government and are being sold to generate money for restitution.

U.S. Marshal Jamie A. Hainsworth said, "It is gratifying in this instance that the proceeds will be returned to victims of Mr. DeSimone's scams."

# CRIMINAL DOCKET SHEET

## Computer Company executive defrauded lender of \$5 million

**Sojin Lim** was on the hook to Citizens Bank for about \$5 million through a line of credit for her computer firm, General Technologies Corporation, which did business as CompUtopia. When Citizens terminated the line of credit, Lim devised a scheme to obtain funding from Rockland Trust Company. She provided fraudulent and fictitious information, grossly exaggerating CompUtopia's accounts receivable at approximately \$7 million. Based on her assertions, Rockland Trust extended Computopia credit, depositing a total of \$5.3 million in a company account. Lim then repaid Citizens from the funds that Rockland Trust had provided her. She pled guilty to bank fraud and money laundering. She was sentenced to one day of incarceration and two-years of supervised release and ordered to make \$5.3 million in restitution. *Assistant U.S. Attorneys John P. McAdams and Sandra R. Hebert.*



These cases were prosecuted as part of President Obama's Financial Fraud Enforcement Task Force, which was established 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.

## Former Social Security administrator stole victim's identity and stock certificates

**Randolph Hurst** was the Assistant District Manager for the Social Security Administration in Rhode Island. He used the identity of a Coventry man to fraudulently sell more than \$160,000 worth of stock certificates belonging to the victim. Using stolen identity information, Hurst opened a joint account at a Providence brokerage house in his name and that of the victim. Hurst used forged documents to request the deposit of two stock certificates that the victim owned. He then directed the brokerage house to sell the stocks and issue two checks totaling \$161,727 in his and the victim's name. The checks were sent to the Coventry address of a codefendant, **Justin Silveira**, and were subsequently deposited in a bank account jointly held by Hurst and his wife. The Hursts spent the proceeds on personal items and expenses. Hurst pled guilty to aggravated identity theft, transportation of stolen securities, mail fraud and tax evasion. A federal judge sentenced him to 39 months in prison and ordered him to pay \$245,299 restitution to the victim. He must also pay back taxes. Silveira pled guilty to perjury and obstruction of justice, admitting that he lied to a grand jury. He was sentenced to 15 months in prison. *Assistant U.S. Attorney Dulce Donovan.*



## CRIMINAL DOCKET SHEET

### Lookout and getaway driver are sentenced in Woonsocket robbery, murder

**Kelly M. Lajoie** acted as a lookout in the robbery and murder of gas station manager David D. Main outside a Woonsocket bank. Lajoie, Jason Pleau, and Jose Santiago went to a Shell station in Woonsocket to identify Mr. Main and his car. Lajoie then drove Pleau to an area near the bank and returned to the gas station. When David Main left the station to deposit the station's receipts in the bank, Lajoie called Pleau and followed the victim to the bank. Pleau confronted Mr. Main at gunpoint outside the bank and demanded the gas station's receipts. He then fatally shot Mr. Main and fled with \$12,500, which he later shared with Lajoie and Santiago, who drove the getaway vehicle. All three defendants pled guilty to their roles in the robbery and homicide. A federal judge sentenced Lajoie to 15 years in prison and Santiago to 40 years. Earlier, Pleau was sentenced to life in prison, from which there is no parole. *Assistant U.S. Attorneys Adi Goldstein and William J. Ferland; Trial Attorney Jacabed Rodriguez-Coss of the Department of Justice Criminal Division, Capital Crimes Section.*



### Estate planner and employee sentenced in death benefits scam

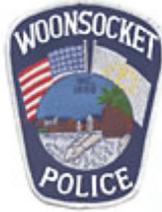
"The reality is that **Joseph Caramadre** saw death as a holiday...as an opportunity to make money," is how U.S. Attorney Peter F. Neronha summed up the crimes of Caramadre and an employee, **Raymour Radhakrishnan**. Caramadre exploited dying people to purchase variable annuities and so-called "death-put bonds" from insurance companies. Caramadre solicited the patients by such means as visiting a hospice center and placing ads in a Catholic newspaper. Caramadre and Radhakrishnan obtained patients' signatures and identity information through deception or forgery, and then used that information to purchase the annuities, which paid dividends upon a patient's death. The dividends totaled into the millions over the course of 15 years. Both men pled guilty to conspiracy and wire fraud. Chief U.S. District Court Judge William E. Smith sentenced Caramadre to six years in prison and Radhakrishnan to one year. Both must perform 3,000 hours of community service after their confinement, providing service to elderly and terminally ill individuals. Judge Smith also adopted a magistrate judge's recommendation that Caramadre pay approximately \$46 million restitution to insurance companies and that Radhakrishnan pay approximately \$33 million. *Assistant U.S. Attorneys Lee H. Vilker and John P. McAdams; paralegal Kellyann Anderson.*



# FEDERAL DRUG AND GUN CASES

## Woonsocket “drug house” put out of business, its operator sentenced to prison

After a two-day investigation, Woonsocket Police, working with DEA Task Force agents and Rhode Island State Police, put a drug house in a city neighborhood out of business. Its operator, **Eddie Carrasquillo**, who was a tenant, was sentenced to ten years in federal prison. After neighbors complained about an unusual number of visitors to the house, Woonsocket Police and DEA Task Force Agents set up surveillance. They found in the house’s trash items indi-



cated packaging and distribution of drugs. A State Trooper stopped a vehicle leaving the house and seized \$78,000 from a drug hide. Woonsocket Police seized a digital scale, 6.2 pounds of cocaine and some crack cocaine from another vehicle which the police had stopped following a pursuit.

They arrested the driver, **Paul Noriega**. Carrasquillo was detained after leaving the house and agents found \$176,575 in cash stashed in a laundry bag in his car. Agents also seized \$154,520 from a safe deposit box linked to Carrasquillo. Carrasquillo pled guilty to cocaine trafficking and maintaining a drug premises. He was sentenced to 121 months in prison. Noriega pled guilty to cocaine trafficking and was sentenced to 84 months in prison. *Assistant U.S. Attorney Sandra R. Hebert.*



## Felon sentenced for drugs and a gun

Rhode Island State Police detectives received information that **Michael Domenech** was dealing crack cocaine. They obtained a search warrant for his room in a North Providence apartment and found crack cocaine, \$1,400 in cash, a loaded .22 caliber pistol and additional ammunition. Domenich had previously been convicted in state court of breaking and entering. He pled guilty to trafficking in crack cocaine and being a felon in possession of a firearm. A federal judge sentenced him to 51 months in prison. *Assistant U.S. Attorney Milind M. Shah.*



## Gun nets a felon three years in prison

A Providence Police officer and a State Trooper patrolling together encountered **William McKinney**. When they attempted to speak to him, McKinney pivoted away from them and fled. As the patrolman

and trooper pursued him, McKinney tossed a handgun to the ground. The police caught McKinney and retrieved the gun, a loaded 9mm pistol.

McKinney said he had the gun because he had “beefs with people.” He had previously been convicted in state court of drug trafficking. McKinney pled guilty to being a felon in possession of a firearm and a judge sentenced him to 37 months in prison. At sentencing, the government presented evidence that McKinney is associated with the Comstock street gang. *Assistant U.S. Attorney Milind M. Shah.*



## LANDMARK ADA SETTLEMENT IN RI

A landmark settlement agreement that ensures that approximately 3,250 Rhode Islanders with intellectual and developmental disabilities (I/DD) will receive state funded employment and daytime services in the broader community, rather than in segregated sheltered workshops and facility-based day programs, was announced by the Department of Justice's Civil Rights Division at the U.S. Attorney's Office.



Acting Assistant Attorney General Jocelyn Samuels, and Deputy Assistant Attorney General Eve Hill with U.S. Attorney Peter F. Neronha

Rhode Island is the first state in the nation to enter into such an agreement, thus avoiding a potential law suit. The agreement significantly advances the Department's work to enforce the Supreme Court's decision in *Olmstead v. L.C.*, which requires persons with I/DD be served in the most integrated setting appropriate.

“[The] agreement will make Rhode Island a national leader in the movement to bring people with disabilities out of segregated work settings and into typical jobs in the community at competitive pay,” said Jocelyn Samuels, Acting Assistant Attorney General for the Civil Rights Division.

U.S. Attorney Peter F. Neronha noted, “The filing of [the] consent decree is a critically important event in Rhode Island history. It ushers in a new day of opportunity – opportunity for Rhode Island residents with intellectual or developmental disabilities to live, work and spend their recreational time alongside their fellow Rhode Islanders.”

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## PARTNERS AT WORK - VICTIMS, ADVOCATES HONORED

In 1984, Congress passed the Victims of Crime Act, ensuring that victims of crime be included in the judicial process and that their voices be heard. Thirty years later, during National Crime Victims' Rights Week, the passage of this historic legislation and those who work tirelessly in Rhode Island to provide support and resources to victims of crime were recognized during a moving ceremony at the Victims' Grove in Memorial Park along the waterfront of downtown Providence.



Assistant U.S. Attorney Adi Goldstein speaks at the ceremony.

Speaking on behalf of the United States Attorney's Office, Adi Goldstein, Chief of the Criminal Division, told a gathering of crime victims, crime victims' advocates, law enforcement, members of the judiciary, public officials and members of the public, “The real unsung heroes are the victims of crime and their advocates, who everyday commit themselves to ensuring that their voices and the voices of all crime victims will never fall silent.”

Rhode Island Attorney General Peter F. Kilmartin noted, “While we have made progress in the past 30 years, it is not an invitation to rest on our laurels. Let us use this milestone as a reminder of the work still before us to restore the balance of justice to all those harmed by crime.”

# CIVIL DOCKET SHEET

## Doctor must pay \$1.2 million for Medicare and Medicaid fraud

**Doctor Hafeez Kahn**, a physician who formerly practiced in Smithfield and East Providence, must pay the federal government \$1.2 million, which is twice the amount that he fraudulently billed the Medicare and Medicaid programs. Between August 2006 and December 2010, Dr. Kahn, through two corporations that he ran, overbilled for services provided to some patients and submitted claims for services that had not been performed. Under a settlement reached with the government, Dr. Kahn has made the first payment of \$500,000 and must pay \$175,000 plus interest annually for the next five years. *Assistant U.S. Attorney Mary Rogers and Rhode Island Assistant Attorney General James Dube.*



## **MARIANO** (CONTINUED FROM PAGE 1)

Mariano became the focus of a three-year joint investigation by the U.S. Department of Defense - Defense Criminal Investigative Service, the Naval Criminal Investigative Service, the Federal Bureau of Investigation, and the Internal Revenue Service, Criminal Investigation. The investigation included undercover work monitoring Spencer making controlled deliveries of cash to Mariano.



*Mariano worked for NAVSEA*

Based on fraudulent invoices submitted by Spencer to ASFT on Mariano's behalf, ASFT paid \$17,957,000 to the defendants between 1999 and early 2011.

Mariano pled guilty to conspiracy and theft of government funds. A federal judge sentenced him to ten years in prison and ordered him to make restitution to the government.

Four codefendants also pled guilty to federal charges in the scheme. Spencer and **Anjan Dutta-Gupta**, the former CEO of ASFT, were sentenced to three years in prison. **Patrick Nagle**, ASFT's Chief Financial Officer was sentenced to three years probation. **Mary O'Rourke**, an acquaintance of Mariano to whose company he funneled \$478,880, was sentenced to five years probation. All four were also ordered to pay restitution. A sixth defendant, Mariano's father, **Ralph Mariano, Jr.**, 82, pled guilty to tax evasion and was sentenced to four years probation. Mariano channeled \$2.5 million to him.

"Mr. Mariano spent millions of dollars of taxpayer money in every conceivable way, money that would otherwise have been used to protect the people of this nation," said U.S. Attorney Peter F. Neronha. *Assistant U.S. Attorneys Lee H. Vilker, Terrence P. Donnelly and Dulce Donovan.*

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