



# FEDERAL NOTES

## DEPARTMENTS

*Federal drug and gun cases* 4

*Criminal Docket* 7

## POINTS OF INTEREST

*Muslim Community Outreach* 2

*Focus on health care fraud* 3

*Drugs, firearms and counterfeiting* 5

*Former attorney sentenced for fraud* 7

*Bank fraud and identity theft* 8

*LCN figures sentenced in extortion racket* 8

## FORFEITED GOOGLE \$\$ SHARED WITH LAW ENFORCEMENT



Five Rhode Island law enforcement agencies will receive \$230 million of the \$500 million that Google Inc. forfeited to the government for running advertisements for unregulated off-shore pharmacies. The Department of Justice is disbursing the money under its Equitable Sharing program, through which agencies that participate in investigations resulting in forfeited assets can receive shares of the assets.

The agencies and their shares of the Google forfeiture are: East Providence Police, North Providence Police and the Rhode Island Attorney General — \$60 million each; Rhode Island State Police—\$45 million; and the Rhode Island National Guard—\$5 million. The shares are allocated according to the level of participation of each agency in the investigation.

Equitably shared funds can be used for specific law enforcement purposes, including to finance criminal investigations, to purchase equipment; to build approved facilities, and for training. Funds cannot be used for general salaries or for non-law enforcement purposes.

Before any funds from the Google forfeiture are allocated to the agencies, they must submit spending plans outlining the purposes for which the funds will be used.



**U.S. Attorney Peter F. Neronha announcing the equitable shares of the Google forfeiture**

“The most important result of our investigation was bringing an end to Google’s improper practice of promoting sales by rogue pharmacies,” U.S. Attorney Peter F. Neronha said. “With that accomplished, I am pleased that \$230 million of the forfeited funds will be available for use by the local agencies that contributed investigators to the effort.”

Four federal agencies that worked on the case will also receive shares of the funds: the U.S. Postal Service — \$40 million; the IRS — \$35 million; the Secret Service — \$15 million; and ICE — \$10 million. Those funds will be used to finance law enforcement operations. The remaining \$170 million will go into the Assets Forfeiture Fund. *Assistant U.S. Attorneys Andrew J. Reich, Richard B. Myrus, and Michael P. Iannotti; FDA OCI Special Agent Jason Simonian.*

# ISLAMIC COMMUNITY OUTREACH

President Barack Obama has said, “We are not at war against Islam. We are at war against terrorist organizations that have distorted Islam or falsely used the banner of Islam to engage in destructive acts.”

The Department of Justice selected the Rhode Island U.S. Attorney’s Office to be one of several districts to foster productive partnerships between law enforcement and the Islamic community. The objectives:

- Protect national security;
- Preserve Constitutional values and commitment to civil liberties and religious freedom;
- Provide a forum for community concerns and for civil rights and anti-crime issues;
- Improve understanding between law enforcement and Islamic community.

Working with the FBI, U.S. Attorney Peter F. Neronha has brought to the table members of the Arab and Muslim Communities and members of federal, state and local law enforcement agencies. An initial outreach to Farid Ansari, Director of the Muslim-American Dawah Center, led to regular community meetings. Those attending have included imams from Rhode Island mosques, community members and leaders, and a growing number of federal, state and local law enforcement partners, including Immigration and Customs Enforcement—Homeland Security Investigations, Customs and Border Protection, the Transportation Security Administration, the Rhode Island State Police and Providence Police.



Assistant U.S. Attorney Adi Goldstein speaks with students at the Islamic School.

The initiative has also included public forums, one at Brown University entitled “A Question of Balance: Religious Liberty and National Security,” and another at the Islamic Center of Rhode Island entitled “Know Your Civil Rights.” Assistant United States Attorney Adi Goldstein has met twice with students at the Islamic School of Rhode Island to speak with them about constitutional and civil rights.

“Since becoming United States Attorney for the District of Rhode Island, among the things I have found most rewarding has been building a strong relationship between this office and Rhode Island’s Muslim-American community,” U.S. Attorney Neronha said. “I have always felt warmly welcomed in the community. Our discussions of national security, civil liberties, and the balance between them have been very enlightening. The highlight was my visit to the Islamic School.”



# FOCUS ON HEALTH CARE FRAUD

## U.S. Attorney Neronha testifies at Senate hearing on health care fraud

Health care fraud was the focus of testimony by U.S. Attorney Peter F. Neronha before a U.S. Senate Subcommittee hearing in East Providence chaired by Senator Sheldon Whitehouse.

“Health care fraud threatens the long term health of Medicare, as well as all federal, state and private health care programs,” U.S. Attorney Neronha said. “While most health care providers do the right thing, some target Medicare and other government and private programs for their own financial benefit.”

U.S. Attorney Neronha noted that in fiscal 2011, the government’s health care fraud efforts recouped nearly \$4.1 billion nationwide. That is the highest amount ever recovered from providers who tried to defraud seniors and taxpayers.

## Hospital pays \$5.3 million for unnecessary overnight stays

In a civil settlement, **Rhode Island Hospital** reimbursed Medicare and Medicaid \$2.6 million for payments it had received for unnecessary overnight hospital stays for patients who underwent a cancer surgery procedure known as the Gamma Knife treatment. The hospital also paid about \$2.7 million in double and triple damages for ordering the overnight stays. An investigation by the U.S. Department of Health and Human Services, Office of Inspector General and the Federal Bureau of Investigation determined that, over a six-year period, unnecessary admissions were ordered for 260 patients who had undergone the Gamma Knife treatment. *Assistant U.S. Attorney Dulce Donovan.*



## Medical equipment supplier sentenced for fraud, sales rep pleads guilty

**Gary Winner** owned Planned Eldercare, a nationwide supplier of durable medical equipment based in Buffalo Grove, Illinois. He targeted arthritic and diabetic Medicare

beneficiaries through telemarketing and sent them equipment and supplies that they either did not order or that were not medically necessary. He also waived copayments for Medicare patients, a forbidden practice. Winner’s company defrauded Medicare out of more than \$2.2 million. He pleaded guilty to health care fraud and related charges. A federal judge sentenced him to 37 months in prison and ordered him to pay full restitution to Medicare.



**Sonja Ascoli** of Woonsocket, a sales rep for Planned Eldercare, defrauded Medicare out of approximately \$70,000 by shipping unsolicited or unnecessary devices to patients. She pleaded guilty to health care fraud and is awaiting sentencing. *Assistant U.S. Attorney Dulce Donovan.*

# FEDERAL DRUG AND GUN CASES

## Used-car dealer laundered money for drug dealers in car sales

**Domingo Lopez** ran Espaillat Motors, a used car dealership in Providence. He sold two cars for cash to an individual posing as a drug dealer, who said the cars would be used for drug trafficking. To evade federal requirements for reporting currency transactions, Lopez falsely listed the sale price for each vehicle as less than \$10,000. He also disguised the identity of the buyer when documenting the sales. Lopez pleaded guilty to money laundering and was sentenced to 18 months in prison. He faces deportation to the Dominican Republic after completing his sentence. *Assistant U.S. Attorneys Sandra R. Hebert and Milind M. Shah.*



## Gun and drug dealers operated out of Providence housing project

**Carlos Vasquez**, subject of a 16-month investigation into drug and firearms trafficking in the Chad Brown neighborhood of Providence, sold drugs and firearms from an apartment in Chad Brown. He sold nine firearms, ammunition, and crack cocaine to an undercover federal agent posing as a drug dealer. One of the guns that Vasquez sold to the agent had been used two days earlier in the shooting of a Providence woman. Vasquez, known as “Crazy Carlos,” pleaded guilty to trafficking in firearms and drugs, and a federal judge sentenced him to ten years in prison. Vasquez had been previously arrested 34 times and had prior convictions for drug trafficking, larceny and breaking and entering. More than a dozen firearms were seized as a result of the 16-month joint investigation.



In another case arising out of Chad Brown, a federal judge sentenced **Kenneth Brooks** to fifteen years in prison as an armed career criminal. When Providence Police officers approached Brooks in Chad Brown, he moved away and tucked a gun into his waistband. He later admitted that he had the handgun and some cocaine in his possession. Brooks had recently completed a state sentence for cocaine trafficking and has other prior convictions. *Assistant U.S. Attorneys Ly T. Chin and Richard W. Rose.*

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**FEDERAL DRUG AND GUN CASES**

**Ten-year sentence for drug trafficking, firearms and counterfeiting**



**Sonethanong Khongsouvankhamn** dealt cocaine, counterfeited U.S. currency and kept a gun to protect his trade. A search warrant executed by Woonsocket Police at his residence turned up 57 grams of crack cocaine, 48 grams of powder cocaine, 1,500 grams of marijuana, a .44 Magnum handgun, 26 rounds of .44 ammunition, \$3,641 in genuine cash, and \$24,080 in counterfeit U.S. currency. In a computer room, detectives found a color printer and boxes of paper used in making counterfeit currency. Khongsouvankhamn admitted that he had been selling drugs and that he had traded drugs for the .44 Magnum. He pleaded guilty to charges brought in two federal indictments and was sentenced to ten years in prison. *Assistant U.S. Attorney Sandra R. Hebert.*



**Felon sentenced to 15 years for firearms offenses**

A Cranston Police officer went to an area on Paine Avenue in response to a report of suspicious activity. He observed two vehicles parked adjacent to each other. As he pulled up behind them and activated his lights, the forward vehicle sped away and the other backed into the patrol car. The officer drew his weapon and ordered the three occupants out of the vehicle. The passenger in the rear seat was **Kareem Williams**. A search of the car turned up two loaded handguns, one a .45 caliber pistol with an obliterated serial number. Williams admitted that the guns were his and said he'd gone to Cranston with his companions, including two in the vehicle that had fled, to rob a drug dealer. A federal jury found him guilty of being a felon in possession of firearms and possessing a firearm with an obliterated serial number. A federal judge sentenced him to 15 years in prison, finding him to be an armed career criminal. Williams has several prior felony convictions for drug trafficking and robbery. *Assistant U.S. Attorneys Ly T. Chin and Terrence P. Donnelly.*



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## FEDERAL DRUG AND GUN CASES

### Maximum sentence for repeat violator

A federal judge sentenced **Dwayne M. Taylor**, 28, a second-time federal gun felon, to ten years in prison, the maximum sentence for being a felon in possession of a firearm. Taylor was one of three occupants of a car involved in police pursuit through Providence streets. After the car stopped, police detained the driver. Taylor fled from the back seat after tossing a handgun on the floor, but police caught him near I-95. He had been released from federal prison five months earlier after serving 22 months for violating a supervised release term that had been part of a 40-month federal sentence imposed in 2005, also for being a felon in possession of a firearm. Another passenger, **Michael Drepaul**, also fled and ran across I-95, but was caught on the other side. He was sentenced as a violator of a federal supervised release term. Police released the driver, Daniel Thompson, who was killed three days later in a drive-by shooting in which an unknown assailant fired 17 shots into Thompson's car. *Assistant U.S. Attorney Richard W. Rose.*



### Another second-time federal gun felon sentenced on for a new gun offense

**Bernard Tribble** had recently completed a 70-month federal prison sentence for drug trafficking and a firearms violation. As Providence Police were investigating reports of gunshots having been fired in downtown Providence, Tribble's car sped from the scene, and police pursued it. The fleeing vehicle eventually stopped and the driver was removed. Officers found a handgun inside the car. Tribble later admitted that the gun was his and said that he needed it for protection. He pleaded guilty to being a felon in possession of a firearm, and a federal judge sentenced him to 30 months in prison. He was sentenced to an additional five months for violating the terms of his supervised release from the earlier federal prison sentence. *Assistant U.S. Attorney Luis M. Matos.*



### Woonsocket drug dealer pleads guilty to federal charges

**Pablo Marino Chala** sold crack cocaine from his car repair business in Woonsocket. Woonsocket Police and DEA Task Force agents targeted him as part of an initiative against drug traffickers and violent felons operating in the city. Chala pleaded guilty to federal drug trafficking charges, admitting that he sold a total of about 100 grams of crack cocaine on three occasions. Woonsocket detectives and DEA agents monitored the transactions. A resident alien from the Dominican Republic, Chala faces deportation proceedings after he completes a prison sentence. He is detained, awaiting sentencing. *Assistant U.S. Attorney Milind M. Shah.*



# CRIMINAL DOCKET SHEET

## Fraud and false tax returns in union official's travel

**Kenneth Aurecchia** was a regional vice president of the United Association of Journeyman and Apprentices of the Plumbing and Pipefitting Industry. As part of that and related jobs, he attended conferences and other functions. Aurecchia fraudulently obtained multiple reimbursements for his travel expenses. His "double-dipping" for expenses totaled \$107,515. He also failed to pay nearly \$18,000 in income taxes, due primarily on the illegally obtained reimbursements. Aurecchia pleaded guilty to wire fraud and filing a false tax return. *Assistant U.S. Attorney Richard B. Myrus and Vincent Falvo, Jr., a trial attorney with the Organized Crime and Gang Section.*



## Two plead guilty in Warwick bank robbery

**Anthony Miller** and **Christine Halvorsen** went into a Citizens Bank branch on West Shore Road in Warwick. He presented a note to one teller demanding money, and she told another teller to give her money. The pair took off with \$19,000, leaving the scene in a taxi. A Warwick Police sergeant saw a taxi resembling the description given by bank employees. As the officer approached the cab, Miller fled on foot but was caught and arrested, as was Halvorsen. Police recovered a large quantity of cash from the roadway near where the taxi had been stopped. Halvorsen pleaded guilty to federal bank robbery charges, and was sentenced to five years in prison. Miller also pleaded guilty to bank robbery and is detained awaiting sentencing. *Assistant U.S. Attorney Stephen G. Dambruch.*



## Former attorney sentenced for bank fraud, tax evasion

**James Levitt** facilitated the fraudulent sale of real estate on the East Side of Providence. In what he claimed was an attempt to bail out an acquaintance who was facing foreclosure on two properties, Levitt submitted mortgage applications in the name of a third individual who was purportedly buying the properties. Levitt provided false information on the applications and acted as closing attorney, even though he had been disbarred and was not licensed to practice law. He then pocketed \$270,000, most of the proceeds from the sales. While making sporadic payments to the seller, Levitt used most of the funds for his business and personal expenses. The properties ended up in foreclosure. Levitt pleaded guilty to bank fraud and tax evasion charges and was sentenced to a year in prison. Two men associated with the scheme, Juan Hernandez and Miguel Valerio, pleaded guilty to bank fraud charges involving fraudulent mortgages. Each was sentenced to a year in prison. The case was investigated by the Department of Housing and Urban Development, Office of Inspector General, the FBI, and the IRS, Criminal Investigation, all working as part of the Financial Fraud Enforcement Task Force. *Assistant U.S. Attorney Luis M. Matos.*



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## CRIMINAL DOCKET SHEET

### Former organized crime boss sentenced as LCN figures plead to racketeering and extortion

**Luigi “Baby Shacks” Manocchio** was the Providence-based boss of the New England La Cosa Nostra (LCN) family. After pleading guilty to a leadership role in a racketeering and extortion conspiracy, Manocchio was sentenced to 66 months in prison. Six LCN members and associates have also pleaded guilty to various extortion and racketeering charges: LCN Capo Edward Lato, Alfred “Chippy Scivola, Albino “Albie” Folcarelli, Richard Bonafiglia, Thomas Iafrate, and Raymond “Scarface” Jenkins. Iafrate has been sentenced to 30 months in prison, and Jenkins to 37 months. The other four are awaiting sentencing.

Charges are pending against two remaining defendants. The ring extorted between \$800,000 and \$1.5 million from strip clubs and other businesses. *Assistant U.S. Attorney William J. Ferland and Sam Nazzaro, Trial Attorney, Organized Crime and Gang Section.*



### 30-month prison sentence for bank fraud and identity theft

**Nancy Sherman**, of Los Angeles, traveled to Rhode Island and withdrew \$13,500 from a Webster Bank account that she did not have authority to access. She used a fraudulent Connecticut driver’s license and personal information stolen from the account holder. About a month later, using the stolen identity of another account holder, Sherman tried to withdraw funds at a Pawtucket branch of Webster Bank. The bank teller recognized Sherman from a photograph circulated by Webster Bank security officials and notified Pawtucket Police, who arrested Sherman. She pleaded guilty to federal bank fraud and identity theft charges and was sentenced to 30 months in prison.

*Assistant U.S. Attorney Richard B. Myrus.*



## VETERAN STATE PROSECUTOR JOINS U.S. ATTORNEYS’ OFFICE



Assistant U.S. Attorney  
Paul Daly

**Paul F. Daly, Jr.**, a veteran prosecutor with the Rhode Island Attorney General’s Office, has been appointed an Assistant U.S. Attorney. U.S. Attorney Peter F. Neronha assigned Daly to a team focusing on organized crime, drug-trafficking, and firearms cases. “Paul is a tremendous addition who brings with him a wealth of experience, sound judgment and tremendous trial ability,” U.S. Attorney Neronha said. In 22 years with the state Attorney General, Paul Daly prosecuted a wide variety of criminal cases. He also was an instructor of law at the Rhode Island Municipal Police Academy.



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