



FEDERAL NOTES

DEPARTMENTS

<i>Partners at Work</i>	2
<i>Federal drug and gun cases</i>	4
<i>Criminal Docket</i>	7

POINTS OF INTEREST

<i>Anti-violence work recognized</i>	2
<i>HGH forfeiture benefits police</i>	3
<i>Woonsocket investigation nets 16 defendants</i>	4
<i>Gang leader sentenced</i>	5
<i>Guilty pleas in Navy contractor bribery</i>	7
<i>Flood-related insurance fraud</i>	7

ATTORNEY GENERAL HOLDER AT THE NONVIOLENCE INSTITUTE

During a visit to Rhode Island, U.S. Attorney General Eric Holder went to the Institute for the Study and Practice of Nonviolence. The Institute operates a variety of initiatives, notably Streetworkers, who provide advocacy and mentoring for gang-involved or at-risk youth, and act as a positive presence in the streets.



“The notion of nonviolence, it is something we read about, we see it on faded news reels,” Attorney General Holder said. “The Institute...is making it real here, in this com-



U.S. Attorney Peter Neronha with Senator Sheldon Whitehouse and Attorney General Eric Holder. Senator Whitehouse invited the Attorney General to Rhode Island. U.S. Attorney Neronha arranged the visit to the Institute.

munity, in this state.”

Staff at the institute welcomed the visit. Said Streetworkers Director Ajay Benton, “It was a huge recognition to have the U.S. Attorney General visit our program and meet with us. It is sometimes hard to see that our work is being recognized. We will use this opportunity as the motivation to improve our efforts towards building the beloved community.”

Institute Executive Director Teny Gross said, “For someone that has worked 21 years in violence prevention it is like winning an Oscar in crime prevention.”

In addition to the Streetworkers program, the Institute conducts nonviolence training, various youth services, juvenile reentry and victim support services.

PARTNERS AT WORK — INTERVENTION AND REENTRY

At a ceremony marking anti-violence initiatives in Rhode Island, U.S. Attorney Peter F. Neronha praised the work of the Institute for the Study and Practice of Nonviolence and that of Open Doors for their efforts in different parts of the crime prevention spectrum: intervention and reentry.

The Institute, through its Streetworkers initiative, employs community members to mediate disputes in city neighborhoods, helping deter street violence. The Streetworkers, some of whom are former gang members, bring communication skills and street credibility to gang conflicts, often responding to gang-related incidents to offer direct intervention.



During a recent visit to Rhode Island, Attorney General Eric Holder praised the work of the Institute as an important crime prevention tool. (see page 1)

Open Doors, formerly known as Family Life Center, helps recently released ACI inmates reintegrate into society. Open Doors provides employment assistance, mentoring and help with basic societal skills so that they can lead productive lives and avoid reincarceration.



U.S. Attorney Neronha also recognized the work of regional reentry councils, which bring together a variety of disciplines in each community to assist in local prisoner reentry.

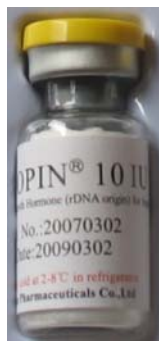
“Preventing crime is making sure that someone is not victimized,” U.S. Attorney Neronha said. “When people are released from prison, and cannot get jobs, and have no place to live...they are more likely to reoffend and victimize someone. This is why the work of Open Doors, the Institute, and the reentry councils is so critical.”



Police chiefs at the ceremony: Colonel Marco Palombo, of Cranston, Chief Brian Volpe, of Coventry, Colonel Stephen McCartney, of Warwick, and Chief Thomas Carey, of Woonsocket.

CRIMINAL ASSET FORFEITURE: LOCAL LAW ENFORCEMENT SHARES IN HGH PROBE FORFEITURE

The Department of Justice has provided state and local law enforcement agencies more than \$1.5 million as their shares of \$4.5 million in criminal assets forfeited by a Chinese company that smuggled Human Growth Hormone into the U.S. The North Providence Police, East Providence Police, Rhode Island State Police and the Rhode Island Attorney General's Office worked on a task force investigation headed by the Food and Drug Administration, Office of Criminal Investigation.



The investigation determined that GeneScience Pharmaceuticals (Gensci) was using clandestine Internet transactions to ship HGH, under the brand name Jintropin, into Rhode Island and elsewhere in the United States.

In 2010, Gensci and its CEO, Lei Jin, pleaded guilty to drug smuggling charges in U.S. District Court, Providence. Among other criminal sanctions, the defendants forfeited \$4.5 million that investigators on the Rhode Island task force had traced to illegal HGH shipments.

“This ground-breaking federal prosecution has resulted in the distribution of significant forfeited amounts to state and local law enforcement agencies in Rhode Island,” U.S. Attorney Peter F. Neronha said.

Equitable Sharing

Assets that are used to facilitate certain crimes or are the proceeds of those crimes are subject to forfeiture. Local agencies that work on federal investigations resulting in the forfeiture of criminal assets receive “equitable shares” of those assets. The equitably shared assets can be used for a variety of law enforcement purposes — for example, to purchase equipment, pay for training, or finance investigations.

From the seized Gensci assets, North Providence Police received \$900,000, East Providence Police \$450,000, and the State Police and Attorney General \$270,000 each. Approximately \$2.6 million went into federal asset forfeiture funds, which supplement law enforcement initiatives.

In addition to the \$4.5 million forfeited in the criminal judgment, Gensci forfeited in a civil action \$2.7 million that agents had seized in 2007 from Chinese banks in New York. *Assistant U.S. Attorneys Adi Goldstein, Michael P. Iannotti, and Milind M. Shah.*

Equitable Sharing Information on the U.S. Attorney's Web site:

LAW ENFORCEMENT



http://www.justice.gov/usao/ri/projects/law_enforce.html

FEDERAL DRUG AND GUN CASES

Joint investigation targeted violent felons, illegal firearms in Woonsocket



A two-year, joint investigation in Woonsocket resulted in federal firearms and drug trafficking charges against sixteen defendants. The investigation began after Woonsocket Police asked for assistance from federal agencies to put a dent in violent crime in the city. The target list included individuals who Woonsocket Police believed were compromising the quality of life in city neighborhoods through drug dealing, home invasions and firearms trafficking.



“Targeting the worst of the worst, as was done here, can have a great impact on the quality of life in a neighborhood,” U.S. Attorney Peter F. Neronha said.

Among the 16 federal defendants charged during the two-year operation:

Robert Beuparlant— sentenced to 180 months in prison for robbing a man of marijuana and cash at gunpoint;



U.S. Attorney Peter Neronha, Woonsocket Police Chief Thomas Carey and ATF Special Agent in Charge Guy Thomas, announcing the results of a two-year investigation

Pedro Cuadrado —codefendant of Beuparlant, sentenced to 111 months in prison;

Julio Candelario — codefendant of Beuparlant and Cuadrado, sentenced to 180 months; sentenced in a separate case to 96 months in prison for being a felon in possession of a firearm;

Marquis Brewster — pleaded guilty to being a felon in possession of a firearm;

Tammy Cardinal-Ghannam — pleaded guilty to trafficking in crack cocaine.

“This investigation was very important for the citizens of Woonsocket,” said Woonsocket Police Chief Thomas W. Carey. “Not only did it take guns and drugs off the streets, but also those who were illegally selling them.” *Assistant U.S. Attorneys Richard W. Rose and Gerard B. Sullivan.*

Crack dealers sentenced



Keishon Johnson, and **Keywion Brown** sold crack cocaine to undercover ATF agents in amounts ranging from one to 20 grams. The investigation ended when Brown unsuccessfully sought to have the undercover agents smoke crack in his presence. Agents arrested the defendants the following month. Both pleaded guilty to federal drug charges. Brown was sentenced to 71 months in prison and Johnson to 72. *Assistant U.S. Attorney Richard W. Rose.*

(CONTINUED NEXT PAGE)

FEDERAL DRUG AND GUN CASES (CONTINUED)

Felon in six-hour standoff convicted of firearms offenses, identity theft

Roldy Francois went with an attorney to the Providence Public Safety Complex to report the theft of two 9 millimeter pistols. He gave police a phony



name but Detective Maurice Green recognized Francois from a prior investigation. Police and ATF agents traced the purchase of the missing firearms to a Warwick gun dealer, who identified Francois as the buyer. Francois, who had several prior felony convictions, had used the identification of another man to buy the guns — the same name he gave to Providence Police when reporting the theft. When ATF agents and Deputy U.S. Marshals



went to arrest Francois on federal firearms charges, he barricaded himself into the attic of a Providence home and threatened to kill himself. He surrendered after a six-hour standoff. Police recovered a .45 caliber pistol. The Warwick gun dealer's records showed that Francois, using the same assumed name, had purchased four other handguns. A jury found him guilty of being



a felon in possession of firearms, identity theft, and falsifying ATF forms. *Assistant U.S. Attorneys Richard W. Rose and Ly T. Chin.*

Gang leader sentenced to prison for firearms, drug violations

John Polanco was just days out of federal prison and on supervised release when he sold a firearm.



Wearing a U.S. Probation ankle bracelet monitor, Polanco later sold another handgun and participated in sales of ecstasy pills. In the interim between those crimes, Polanco attended an organizational meeting of the Rhode Island chapter of the Trinitarios gang, where he was identified as the leader, or "Primera," of the budding chapter. The group's objective was to collect money for weapons, lawyers, and fellow gang members in jail. The FBI Safe Streets Task Force monitored the meeting and the gun and drug sales. Polanco pleaded guilty to federal drug and firearms of-

fenses, and was sentenced to a total of 90 months in prison, including 22 months for violating the terms of his supervised release from a previous prison sentence.

According to the FBI's National Gang Threat Assessment, the Trinitarios was formed in the 1990s as a protection gang for New York prison inmates and has since expanded to states along the East Coast and in the Midwest. *Assistant U.S. Attorneys Richard B. Myrus and Richard W. Rose.*

(CONTINUED NEXT PAGE)

FEDERAL DRUG AND GUN CASES (CONTINUED)

Plan to rob drug dealer results in prison sentences

Michael Avila admitted to Providence Police that he drove from Worcester to Providence to rob a drug dealer. A patrol officer saw a vehicle parked on Cass Street, its engine running and no lights on. The officer activated his emergency lights and saw the occupants acting suspiciously. After he ordered the occupants out of the car, the officer found a loaded pistol in a pouch on the back of the front passenger seat where Avila had been sitting. Avila admitted that he had handled the pistol and that they'd been waiting for a drug dealer to arrive so that they could rob him. Police found a loaded shotgun in the vehicle's rear luggage area and seized a handgun from the driver. Avila and the driver, **Jose Diaz**, both pleaded guilty to being felons in possession of firearms. Avila has prior felony convictions for assault and firearms offenses, Diaz for armed robbery. Avila was sentenced to 80 months in prison and Diaz to 46 months. *Assistant U.S. Attorney Richard B. Myrus.*



North Smithfield drug trafficker is sentenced to 15 & 1/2 years in federal prison

North Smithfield Police developed information that **Wayne Simon** was dealing cocaine and marijuana. When officers secured Simon's residence while waiting for detectives to arrive with a search warrant, Simon arrived home and tried to force his way past the officers. Two officers were injured during a scuffle. The court-authorized search turned up 300 grams of cocaine, two kilograms of marijuana, 353 oxycodone pills, ecstasy and other drugs. Detectives also found \$29,100 in cash in a safe and \$1,257 on Simon's person. Simon pleaded guilty to several drug trafficking charges and was sentenced to 188 months in prison. *Assistant U.S. Attorney Sandra R. Hebert.*



Guilty plea in seizure of 65 kilos of cocaine and \$1.2 million in cash

Police from several agencies working on a joint investigation developed information about large scale trafficking of cocaine. Investigators monitored activity at hotels in West Greenwich and Pawtucket and at a storage facility in North Kingstown. A search warrant turned up 65 kilograms of cocaine and \$1.2 million in cash at the storage facility and in two vehicles. **Adilson Reyes**, of Utah, pleaded guilty to drug trafficking charges and is awaiting sentencing. Federal charges are pending against two codefendants. *Assistant U.S. Attorney Sandra R. Hebert, Assistant R.I. Attorney General Paul F. Daly, Jr.*



CRIMINAL DOCKET SHEET

Guilty pleas in multi-million dollar Navy contracting bribery scheme

Anjan Dutta-Gupta was the founder and president of Advanced Solutions for Tomorrow (ASFT), a Georgia based company that provided services to the Naval Sea Systems Command (NAVSEA), which has offices in



Newport. Over the course of 15 years, Dutta-Gupta paid millions of dollars in kickbacks to a civilian official at NAVSEA to ensure continued contracts for ASFT. The payments were customarily funneled through subcontractors. Dutta-Gupta pleaded guilty to bribing a public official and is awaiting sentencing. **Barry Patrick Nagle**, a Senior ASVT Vice President, and **Russell Spencer**,



a computer consultant who subcontracted with ASFT, both pleaded guilty to bribery conspiracy. Charges are pending against another defendant. *Assistant U.S. Attorneys Lee H. Vilker, Andrew J. Reich, and Dulce Donovan.*

Guilty pleas and sentencing in flood-related insurance fraud

The basement of **Lori Sergiacomi's** North Providence home was damaged in the Spring 2010 floods. Not covered by flood insurance, Sergiacomi filed a false insurance claim alleging wind and rain damage to her roof and swimming pool. Contractor **John Zambarano**, who at the time was a North Providence Town Councilor, intentionally caused the roof and pool damage. Contractor **Robert Ricci**, a hearing officer for the state Contractor's Registration and Licensing Board and a former North Providence Town Council President, assisted in pursuing the fraudulent claim. All three pleaded guilty to federal fraud charges. Zambarano also pleaded guilty to taking bribes for council votes and was sentenced to a total of 71 months in federal prison. Ricci and Sergiacomi were sentenced to probation. Ricci was ordered to serve four months home confinement. Sergiacomi, a former radio personality known as Tanya Cruise, must serve four months at the McGrath House in Boston plus four months home confinement, and was ordered to pay \$40,000 restitution. Former insurance adjuster **Vincent DiPaolo** has pleaded guilty to his role in the scheme and is awaiting sentencing. *Assistant U.S. Attorneys Terrence P. Donnelly and John P. McAdams.*



Cranston bank robber sentenced

Anita Jackson entered a Sovereign Bank branch on Reservoir Avenue in Cranston and, claiming she had a bomb, demanded money from a teller. Witnesses described the purported bomb as a box, covered with tape, with protruding wires. The teller gave the woman some cash and, after robbing a second teller, Jackson fled with \$1,800 in cash. Three weeks later, while Jackson was being held at the ACI on a shoplifting charge, a corrections officer recognized her from bank surveillance photos. Jackson pleaded guilty and was sentenced to 84 months in prison. *Assistant U.S. Attorney Gerard B. Sullivan.*



(CONTINUED NEXT PAGE)

CRIMINAL DOCKET SHEET (CONTINUED)

Investment scammer sentenced to 16 years in prison

Rocco DeSimone conned investors by falsely representing that he could sell the rights of inventions for millions of dollars. He claimed a corporate CEO had agreed to purchase rights to the Drink Stik, a device designed to allow emergency personnel in haz-mat suits to drink fluids without having to remove

their gear. DeSimone also claimed he could market the Disk Shield, a protective shield for computer discs. A jury convicted him of mail fraud and money laundering, and a federal judge sentenced him to 16 years in prison. Factored into the sentence were DeSimone's prior federal conviction for tax fraud in connection with art sales and the fact that he committed the investment fraud while free on bail pending his appeal of the sen-

tence in the tax case. U.S. District Court Judge William E. Smith also ordered DeSimone to repay his victims \$6,030,145, some of which will be satisfied by assets seized from DeSimone totaling an estimated \$2,000,000 in value. *Assistant U.S. Attorneys Lee H. Vilker and John P. McAdams.*



Check cashing schemer sentenced

Vincent Onorato ran a scheme in which he obtained checks from small businesses and individuals through solicitations for purported donations to service organizations. He then inflated the amounts of

the checks and altered the payees' names so that he or coconspirators could cash them. He also had confederates give him copies of pay checks and used a commercial scanner to produce blank checks, which he used to make counterfeit checks that either he or confederates cashed. Over a five-month period, Onorato and confederates defrauded legitimate account holders out of \$73,255. Onorato pleaded guilty to bank fraud and was sentenced to 71 months in prison. Nine codefendants have been

charged in the scheme. *Assistant U.S. Attorney Stephanie S. Browne.*



Guilty plea in organized crime racketeering conspiracy

Thomas Iafrate kept the books for the Satin Doll, Cadillac Lounge and other similar ventures and participated in an organized crime extortion scheme that skimmed money from the clubs. He set aside some of the proceeds of the businesses as extortion payments for members of the New England La Cosa Nostra (LCN). Iafrate, 70, pleaded guilty to racketeering conspiracy and is awaiting sentencing. Charges are pending against three other defendants. *Assistant U.S. Attorney 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
First Assistant U.S. Attorney
Civil Chief & Asset Forfeiture
Criminal Chief
Deputy Criminal Chief
OCDETF Chief (Narcotics)
Anti-Terrorism
Law Enforcement Coordinator
Public Information

Peter F. Neronha
Kenneth P. Madden
Michael P. Iannotti
Stephen G. Dambruch
Adi K. Goldstein
Sandra R. Hebert
Brian J. Pires
Thomas Connell
Jim Martin

On the Web at <http://www.usdoj.gov/usao/ri/>

