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FOR IMMEDIATE RELEASE
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**SECOND DEFENDANT PLEADS GUILTY
IN MONEY LAUNDERING INVESTIGATION**

Colm F. Connolly, United States Attorney for the District of Delaware, announced today that Christopher Malatesta, age 32, of Wilmington, Delaware, pled guilty to a Felony Information.

The Information charged Mr. Malatesta with one count of conspiracy to launder money and two counts of money laundering. Mr. Malatesta pled guilty before The Honorable Sue L. Robinson, Chief Judge, United States District Court for the District of Delaware.

These charges relate to two undercover car purchases made with the purported proceeds of illegal narcotics sales at Elite Auto, Inc., d/b/a 1800 Motorcars, a car dealership formerly operated in Wilmington, Delaware. Mr. Malatesta was a salesman at 1800 Motorcars during the period set forth in the Felony Information. His separately indicted co-conspirator, Jimmy Jan Chan, also a salesman at 1800 Motorcars, pled guilty in May of this year to money laundering and obstruction of justice charges.

According to the Felony Information, from January 2001 through April 2003, Malatesta and his co-conspirators created false documents to disguise the nature of financial transactions conducted through 1800 Motorcars. The Felony Information alleges that these transactions, involving the sale of high-end automobiles, were conducted by Malatesta with individuals engaged in the illegal sale of controlled substances. The value of these transactions is estimated to be in excess of \$600,000.

In August 2001, a DEA confidential source made contact with Chan and Malatesta and

initiated a conversation about purchasing a car using fraudulent in-house financing. In November 2001, the source introduced two undercover agents to Malatesta, Chan, and others at 1800 Motorcars. In the series of meetings and phone conversations that followed, the undercover agents purchased two vehicles (1) a 1996 Lexus, purchased on or about February 4, 2002, and (2) a 1997 Jaguar, purchased on or about July 26, 2002. Malatesta was involved throughout these transactions. In each instance, the undercover agents represented that the cash provided to purchase the cars was the proceeds of illegal narcotics sales. Because the undercover agents provided over \$10,000 in cash for each transaction, IRS Form 8300 cash transaction reports should have been filed by 1800 Motorcars. No such reports were filed for these transactions.

The maximum penalty for each of the three violations is twenty years imprisonment, along with a fine of \$500,000 on the conspiracy charge and a \$250,000 fine on each of the money laundering charges.

The case was investigated by special agents of the Internal Revenue Service, Criminal Investigation, and special agents and task force officers with the Drug Enforcement Administration. It is being prosecuted by Assistant U.S. Attorneys Keith M. Rosen, Shannon T. Hanson, and Douglas E. McCann.

For further information, contact Assistant United States Attorney Keith M. Rosen.

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