



U.S. ATTORNEY'S QUARTERLY

LA COSA NOSTRA MEMBERS CHARGED

A superseding indictment, charging 13 members and associates of the Philadelphia organized crime family of La Cosa Nostra (LCN), was unsealed May 23, 2011. The indictment charges Joseph Ligambi, Joseph Massimino, George Borgesi, Martin Angelina, Anthony Staino Jr., Gaeton Lucibello, Damion Canalicchio, Louis Monacello, Louis Barretta, Gary Battaglini, Robert Verrecchia, Eric Esposito and Robert Ranieri with various crimes including racketeering conspiracy, extortion, loan sharking, illegal gambling and witness tampering. It is alleged that for more than a decade, members and associates of the Philadelphia LCN conducted business through a pattern of racketeering activity and the collection of unlawful debts. The alleged racketeering activity includes

numerous acts involving extortion, extortionate extensions of credit through usurious loans, extortionate collections, illegal gambling and witness tampering. The organization's collection of unlawful debts allegedly relates to loan sharking operations and illegal gambling businesses. According to the superseding indictment, the defendants promoted and furthered their illegal money-making activities through violence, actual and implied threats of violence, and the cultivation and exploitation of the family's long-standing reputation for violence. The defendants also used this reputation for violence to intimidate and prevent victims and witnesses from cooperating with law enforcement. The indictment alleges various in-

stances where defendants say phrases such as "chop him up," and "put a bullet in your head" when threatening victims. In one instance, Canalicchio allegedly used a bat to beat a victim for not paying a loan debt. The superseding indictment alleges that some of the defendants continued their racketeering activities even after being sent to prison. The case was investigated by the FBI, IRS-Criminal Investigations, the Department of Labor Office of Inspector General Office of Labor Racketeering & Fraud Investigations, Pennsylvania State Police, New Jersey State Police, and Philadelphia Police Department.

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A Message From the U.S. Attorney for the Eastern District of Pennsylvania

Everyone has their own reasons for welcoming Summer. For kids, it marks the end of the school year while, for most adults, it means summer vacations. For me, it means embarking on my second year as U.S. Attorney for this district, reflecting on what we have accomplished, and looking forward to the possibilities ahead.

Our main outreach initiative for this year—the Voices of Youth Violence Prevention Project—has come to a close, culminating in a film festival on June 7, 2011, and a town hall meeting at the National Constitution Center on June 8, 2011. The videos produced from this project conveyed a message about the impact violence has had on the participating students and their community. The thoughtful and reflective nature of their ideas, discussions, and efforts was nothing short of powerful.

This project has been our most creative, to date, and is the first to focus resources and efforts on children in our district for the purpose of positively impacting their lives.

You may not be aware that the federal government generally does not prosecute juveniles and, so, by the time we have our first interaction with a violent offender, it is usually after he or she has been through the state or local system at least once. In my many years as a prosecutor, it has not escaped my attention that positive intervention could have stopped some of the defendants we deal with from committing crimes, as well as saved their victims. By the time they come to our courts, if they come with prior offenses, they are staring down hard time in a federal prison. In some cases, it is just the next phase in the cycle of crime and punishment. With programs such as "Voices of Youth," we are hoping to break the cycle.

In addition to "Voices of Youth," members of my office and I are visiting schools in the district, talking to students about life choices. Included in these efforts was an event with Philadelphia Eagles Quarterback Michael Vick at Martin Luther King High School. You can read more about the

event and the film festival for "Voices of Youth" on the next page.

I hope you will continue to follow our efforts. Our goals are obviously long term and may not be known for at least a generation. But if we can positively impact the thought process of kids for the better, I would consider our efforts to be a success.

I encourage you to follow our progress. Should you decide join the effort, you can visit this website for more information on mentoring:

<http://www.ojdp.gov/programs/mentoring.html>

-Zane David Memeger



VOICES OF YOUTH

The "Voices of Youth" Violence Prevention initiative was launched February 25, 2011 at the Philadelphia Center for Arts and Technology ("PCAT") in Northwest Philadelphia. The program enrolled 32 students from four Northwest Philadelphia high schools—Hope, Imhotep, and New Media Charter Schools, and Martin Luther King High School—participated in the project. The goal of the project—in keeping with the mission of United States Attorney Zane David Memeger—was to allow teens to explore the impact that violence has had on their communities, their families, and their lives.

The 8-week curriculum-based program engaged students in the art of video production as a means of expression. The students were split into two groups. One group worked with The Village of Arts and Humanities while the other worked with Well Productions. Each group created its own video keeping in line with the goal of the project. In addition to the video work, the program included a day trip in which the students spent time at the Office of the United States Attorney as well as in federal court, learning more about the inner workings of the federal system of justice.

At the end of their eight weeks, the project culminated in a film festival on June 7, 2011 at Enon Tabernacle Baptist Church. Members of the students' families and of the community were invited to view the end result of the students' experience in the project. On June 8, 2011, a town hall meeting was held at the National Constitution Center where members of the student participants' peer group were invited to view the end product and to hear from the students, themselves, what impact the program had on their lives. The audience also participated in a panel discussion with the students, the U.S. Attorney, the Philadelphia Police Commissioner, and members of the Philadelphia District Attorney's Office.

The videos will be shown in schools throughout the Eastern District of Pennsylvania next school year.



U.S. Attorney and Michael Vick Visit Martin Luther King High School

United States Attorney Zane David Memeger invited Philadelphia Eagles Quarterback Michael Vick to join him in engaging students at Martin Luther King High School in a conversation about making good life choices. Vick, convicted of a federal crime in 2007, talked about the difficulties he faced adjusting to life in federal prison and adjusting to life when he reentered society. He told students that his missteps were due to making bad decisions, including not heeding the advice of his mother in certain situations. Vick said not making the right decisions led to the worst two years of his life, while he served this federal prison sentence at a penitentiary in Leavenworth, Kansas. He advise students to develop a relationship with God, to listen to their parents, to use good judgment, and to mentor others around them. He cautioned them that it would be challenging but if they accepted the challenge, they could excel. United States Attorney Memeger also pointed out to students that making the right choices, staying on track, and working hard could lead to one of them becoming U.S. Attorney one day. The most important people in their lives, besides their parents, are their teachers who are in the position of helping them to achieve great things. He also acknowledged that this would require focus on their part given the sometimes violent environment that surrounds them. U.S. Attorney Memeger pointed out that one of his goals of his office is to make the community environment safer and less violent so that the youth of today can excel.



VOCABULARY: Pill Mill

The term "pill mill" refers to a doctor's office where pills or prescriptions for pills are being distributed, to drug users or drug sellers, outside the scope of professional practice. Cases involving pill mills are typically investigated by the Drug Enforcement Administration.

CRIMEBUSTERS: Drug Enforcement Administration

An interview with Special Agent-in-Charge John J. Bryfonski, with the Philadelphia Field Office:

-What is the mission of DEA?

DEA has an international presence and is dedicated to combating global drug trafficking, drug-related terrorism and other transnational crime, improving our national security, and increasing the quality of life for the American public.

-How did you decide to join DEA?

As a police officer in the 1970s, I found that many cases I handled had a direct or indirect link to substance abuse. DEA represented an opportunity to join the fight against a crime wave sweeping the country. Joining this small, elite, cutting-edge agency that attacked drug crime locally, regionally, centrally, and globally, permitted me to remain "on the streets" while, at the same time, having the resources and reach to make a significant impact on drug crime.

-What do you like best about your position as Special Agent-in-Charge?

The people. The talent, resourcefulness, innovation, dedication, dogged perseverance in the face of insurmountable obstacles, and the commitment of the people in this agency are unequalled. They are relentless in pursuit of those who seek to destroy the souls of others and never, ever give up. For me, this opportunity has quite simply been unbelievable.

-What might the public not know about the Administration?

Most do not know how involved DEA has been in combating global terrorism. From fighting on the ground in Afghanistan to the jungles of South America, DEA has effectively harnessed its worldwide investigative equities to pursue arms traffickers, Afghani war lords, and East African trafficking organizations that are used by South American guerillas to expand global arms trafficking through existing drug trafficking networks. And most don't realize how DEA is intimately involved in the regulation of licit pharmaceuticals from manufacturing, distribution and dispensing licit controlled substances by medical practitioners, regulating their use for research, and the regulation of chemicals used in the manufacture of licit controlled substances.

How does the general public reach the DEA?

Our website is: www.dea.gov where people can submit a tip or find telephone listings. The general number for DEA is 215- 861-3476.

Health Care Fraud Working Group

United States Attorney Zane David Memeger delivered opening remarks May 13, 2011 to federal and state investigators, prosecutors, agents and auditors, along with fraud investigators and other representatives from private industry, including health insurance companies, hospital systems and other health care providers, attending the first regional Health Care Fraud Working Group meeting. The U.S. Attorney's Office will host these meetings every four months to encourage communication and coordination among agencies, promote strategic thinking with regard to areas of potential fraud, identify matters for investigation and prosecution, develop strategies to streamline investigations, and share information. The U.S. Department of Justice has directed U.S. Attorney Offices throughout the country to make efforts to address the potential for fraud involving federal funds. The session included personnel from agencies throughout Pennsylvania and the Delaware Valley.

Honors

Assistant U.S. Attorneys Michelle Morgan and Vineet Gauri were honored by the National Center for Missing & Exploited Children for their work in prosecuting sex traveler Kenneth Schneider. Schneider was using his Apogee Foundation to gain access to young boys who aspired to have a career in the arts. He was convicted at trial and is awaiting sentencing.

Mortgage Fraud

About 75 members from law enforcement, the community, and the financial district, participated in a Mortgage Fraud Summit hosted by the U.S. Attorney's Office at St. Joseph's University. Topics of discussion included trends in the mortgage market and fraud schemes, the nature of foreclosures, services to victims.

INSIDE THE OFFICE



Members of the U.S. Attorney's Office joined a weight loss program to slim down and shape up. The three month program led to a weight loss total of 235 pounds for the 26 participants.



CRIME & PUNISHMENT:



Charged:

April 27, 2011: Former Philadelphia Police Officers Keith Gidelson, Joseph McIntyre, and George Sambuca were indicted, along with 12 others, in a conspiracy to distribute anabolic steroids. The indictment alleges that Gidelson operated an anabolic steroid and human growth hormone ("HGH") distribution organization in Philadelphia and throughout the United States. The indictment further alleges that Gidelson acquired steroids from foreign suppliers and then sold these steroids to his co-conspirators who distributed the drugs to their own customers. If convicted, each defendant faces a maximum sentence of 10 years in prison.

April 12, 2011: William A. Neal, owner of a tax preparation business in Philadelphia called Strawberry Mansion Financial, was indicted for conspiracy to defraud the United States and assisting in the preparation of false tax returns. According to the indictment, between 2004 and 2007, Neal fraudulently reduced the tax liability of clients to provide them with larger refunds by falsely entering inflated deductions on clients' individual federal income tax returns. Neal's false deductions included false charitable contributions and false medical and business expenses. Neal's scheme defrauded the federal government of over \$117,000 in taxes. If convicted, he faces up to 17 years in prison.

March 17, 2011: Brian McDaid, of Downingtown, PA, was charged with three counts of fraud in connection with sending millions of "spam" emails. The indictment alleges that McDaid caused these spam e-mails to be sent, even though he knew that the emails did not comply with the requirements of the Controlling the Assault of Non-Solicited Pornography and Marketing

Acts of 2003. Trial is scheduled for October.

Convicted:

June 9, 2011: Former Philadelphia Police Inspector Carlo Daniel Castro pleaded guilty to one count of conspiracy to interfere with interstate commerce by extortion, stemming from his involvement in a scheme to use threats of violence and actual violence to collect a \$26,000 debt owed to a Philadelphia businessman. In April 2011, Castro was convicted at trial of lying to the Federal Bureau of Investigation in connection with another extortion scheme. Castro was in charge of the police department's traffic division when he was charged and arrested in November. He will be sentenced September 14, 2011.

April 4, 2011: Christopher Vassaluzzo, D.O., of New Hope, PA, pleaded guilty to participating in a conspiracy to operate an office that was, in fact, a "pill mill" that distributed millions of prescription controlled substance diet drugs outside a professional practice. Vassaluzzo's office, where he had others operate the pill mill, was located at 3000 Holmes Avenue in Northeast Philadelphia. In addition to the conspiracy to distribute controlled substances charge, Vassaluzzo pleaded guilty to mail fraud and conspiracy to commit mail fraud, structuring, aggravated structuring, conspiracy to commit tax evasion, and tax evasion. Sentencing is July 12, 2011.

March 4, 2011: Zachary Young and Mark Williams, both of Philadelphia, were convicted of a drug conspiracy in which a phony arrest was orchestrated in order to steal drugs from a drug dealer. At the time of the crime, Williams was a Philadelphia Police Officer assigned to the 39th District. Young was a heroin distributor. The scheme to steal heroin from a supplier involved a phony arrest by Williams and his co-

defendants, who were also police officers at the time. The co-defendants in the case pleaded guilty prior to trial. Williams faces a minimum mandatory prison term of 10 years when sentenced; Young faces a mandatory minimum of five years in prison. Co-defendants and former officers Robert Snyder and James Venziale were sentenced to 157 months and 42 months in prison, respectively.

Sentenced:

June 3, 2011: Mohammad Reza Vaghari, of Broomall, PA, was sentenced to 33 months in prison for crimes relating to his participation in illegal business transactions with Iran between 2002 and 2005. Vaghari was convicted in February 2011 of conspiracy to violate the International Emergency Economic Powers Act (IEEPA) and Naturalization Fraud. Vaghari was exporting items to co-conspirators in the United Arab Emirates, who would then deliver the items to customers in Iran.

March 29, 2011: Anthony Hadaway, 35, of Philadelphia, was sentenced to 293 months in prison for two violent robberies of commercial establishments in Philadelphia during the summer of 2008. Hadaway was convicted of the August 2008 robbery at the Fashion Unlimited clothing store on Woodland Avenue, and the armed robbery of the EZ-Cleaners dry cleaning store on S. 52nd Street.

April 13, 2011: James Gautieri, of Williamsport, PA, was sentenced to 33 months in prison for interference with an aircraft or aircraft facilities. Gautieri was convicted of an April 2008 incident in which he shined a laser into the cockpit of a Philadelphia Police Department helicopter during routine patrol, striking a pilot in the eyes. He was also fined \$10,000.

Side note:

You can find press releases about the cases we charge on our website:

www.justice.gov/usao/pae

DID YOU KNOW that you can sign up for email updates from the Department of Justice? Go to www.justice.gov to find out how or to stay connected to DOJ on Facebook and Twitter.

If you believe you may be a victim of a federal crime, the U.S. Attorney's website has more information on whom to call to file a report. Go to www.justice.gov/usao/pae for help.