



RHODE ISLAND FED

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LINCOLN PARK CONVICTIONS AFFIRMED

The First Circuit Court of Appeals has upheld the convictions of two former executives and the corporation that ran the Lincoln Park race track in a scheme to bribe the former Speaker of the RI House of Representatives. **Nigel Potter**, CEO of the British-based parent company, Wembley PLC, and **Daniel Bucci**, head of the subsidiary that ran the track, exchanged trans-Atlantic faxes discussing the plan to pay the speaker, through a “bonus” or “incentive” of up to \$4,000,000 to his law partner. The partner did legal work for the track but the firm’s previous annual billings to the track, as the Court noted in its opinion, were in the range of \$100,000 to \$200,000.



The objectives of the scheme were to gain approval for more video slot machines

“...a reasonable jury could hardly find otherwise.”

First Circuit Court of Appeals

for the track and to forestall a Narragansett Indian casino. No payments were ever made but a jury concluded that there was sufficient evidence to convict the pair of trying to implement the scheme, which the Circuit

Court called a “heartland quid pro quo case.” The Appeals Court found that the jury’s conclusions were reasonable, stressing that “...a reasonable jury could hardly find otherwise.”

[Hospital executives convicted – page 4](#)

A jury sitting in Worcester, Massachusetts convicted the two men and the company, Lincoln Park, Inc. (the track has since been sold). Judge Mary M. Lisi sentenced Potter to 36 months in prison and Bucci to 41 months. She fined both men \$75,000 and fined the remnants of the corporation \$1.5 million. It was the second trial in the case. The first, held in Providence, ended in a mistrial after the jury failed to reach a verdict. The defendants pressed for a change of venue for the second trial. *Appellate Chief Donald C. Lockhart; Assistant U.S. Attorneys Lee H. Vilker, Craig N. Moore and Peter F. Neronha*

FEDERAL DRUG CASES

Kilogram of cocaine, 90 % in crack form, nets a 20-year sentence



John Barnes had 892 grams of crack cocaine stashed in a house on Whatcheer Avenue, Providence. Johnston Police stopped Barnes in his car after following him from the house. In a search of the house, Johnston and Providence detectives found the crack and an additional 151 grams of cocaine in powder form, bringing the total weight to over a kilogram. After a jury convicted him, a federal judge sentenced Barnes to 20 years in prison, a mandatory sentence under federal statute. *Assistant U.S. Attorney Mary E. Rogers.*



Two sentenced in commercial shipments of cocaine

Modesto DeJesus Castillo and his brother, **Ramon**, arranged multi-kilogram shipments of cocaine from the Los Angeles area to Rhode Island by commercial carriers. After observing a package pick-up, State Police de-



etectives assigned to the High Intensity Drug Trafficking Area Task Force stopped a car and seized the package, which was padded with Styrofoam peanuts and pages from the Los Angeles Times. At an apartment tied to Modesto Castillo, agents found drug trafficking materials and discarded packaging material similar to the package that they'd seized from the vehicle, including pages from the same issue of the L.A. times. A federal judge sentenced Modesto Castillo to 135 months in prison and Ramon to 87 months. *Assistant U.S. Attorney Mary E. Rogers.*



Conviction and life sentence upheld

The First Circuit Court of Appeals affirmed **Joel Francisco's** conviction and life sentence for crack cocaine trafficking. Francisco, a leader in the Latin Kings in

Operation Royal Flush prosecutors are honored with DOJ awards (page 7)

Rhode Island, was one of more than 20 arrested in **Operation Royal Flush**, which targeted drug dealing among members and associates of the Latin Kings. Because he had two prior drug trafficking felonies and dealt in more than 50 grams



of crack (agents seized a kilogram of cocaine, 100 grams of it in crack form), Francisco's life sentence was mandatory. The Circuit rebuffed several claims in his appeal and noted that the "evidence of guilt was overwhelming." *Assistant U.S. Attorneys Donald C. Lockhart, Mary E. Rogers, and Stephen G. Dambruch.*

FEDERAL GUN CASES



110-month sentence for crack cocaine and a handgun

Providence Police were investigating **Pedro Hernandez** for suspected cocaine trafficking and developed information that he made his deliveries by taxicab. When they saw him and another man get into a cab on Veazie Street, officers stopped the cab and saw Hernandez drop a revolver to the floor of the cab. During a pat-down search, officer seized about 10 grams of crack in 47 bags. Hernandez has prior felony convictions for drug trafficking and assault. *Assistant U.S. Attorney Terrence P. Donnelly.*

Crack-for-guns trade nets a seven-year sentence



Tyson Ford traded crack cocaine for six handguns. Outside a South Kingstown hotel, Ford gave an undercover ATF agent 13.5 grams of crack cocaine and \$500 in cash and took six handguns from the trunk of the agent's car. A federal judge sentenced him to 84 months in prison for drug trafficking and being a felon in possession of a firearm. Ford has a prior drug-trafficking conviction. *Assistant U.S. Attorney Peter F. Neronha.*



Felon is sentenced for gun

Providence Police Gun Task Force officers saw **Jamaal Northup** with a group of men in a parking lot off Charles Street. Acting on information they'd received, officers detained him and, during a pat-down, seized a nine millimeter pistol wrapped in a white sock. Northup's felonies include a drug-trafficking conviction. A federal judge sentenced him to 51 months in prison. *Assistant U.S. Attorney Peter F. Neronha.*



Seven-year sentence for crack cocaine and a semi-automatic rifle



Luilli Villa sold crack cocaine four times to an undercover Warwick detective. After his arrest, detectives found a 9-millimeter, semi-automatic rifle in his apartment. Villa pled guilty to the crack deals. When the government displayed the gun in court, Judge William E. Smith called it a "serious weapon," and sentenced Villa to 87 months in prison, an enhancement of about two years. *First Assistant U.S. Attorney Kenneth P. Madden.*

This gun cost the defendant two years

CRIMINAL DOCKET SHEET

Hospital executives convicted in corruption probe

A jury found former hospital executives Robert A. Urciuoli and Francis P. Driscoll guilty in a scheme to pay State Senator John Celona to do the hospital's political bidding in the General Assembly. Urciuoli was president of Roger Williams Medical Center; Driscoll was the medical center's Vice President for Public Relations. The two hired Celona, ostensibly as a consultant to an affiliated assisted living center, but in reality to advance the medical center's political agenda. Celona worked to kill legislation deemed harmful to that agenda and to advance legislation deemed favorable. He also used his position to pressure health insurers to increase reimbursement rates to the medical center and tried to get municipalities to increase ambulance runs. The jury found that the two deprived Rhode Island citizens of their right to Celona's honest services. A third defendant, Peter Sangermano, a partner in the assisted living center, was acquitted of all charges. Initially indicted along with the executives, the Medical Center entered into a deferred prosecution agreement with the government. Celona has pleaded guilty to honest services mail fraud and is cooperating with the government while awaiting sentencing. *Assistant U.S. Attorneys Luis M. Matos and Dulce Donovan.*

Fake doctor is sentenced to 12 & 1/2 years for fraud

John Curran sold questionable treatment programs in what he billed as a natural healing practice. Although he lacked a certified medical education, he posed as a doctor and told clients that they had parasites in the blood, failing immune systems or other dangerous conditions. He told healthy people they were well and duped seriously ill people with promises that he could cure them with treatments such as the Green Drink and E-Water. The Green Drink was merely a commercially available dietary supplement and E-Water, which he said had the same healing power as the water in Lourdes, was essentially distilled water processed through a specialized blender. A jury convicted Curran of fraud and a federal judge sentenced him to 150 months in prison. *Assistant U.S. Attorney Luis M. Matos.*



Prison terms for nursing home owner and fiscal manager

After **Antonio Giordano** and **John Montecalvo** pleaded guilty to skimming equity from three HUD-backed nursing homes, a federal judge sentenced Giordano to 30 months in prison and Montecalvo to 14 months. Giordano owned the three homes — Hillside Medical Center, Coventry Health Continuum, and Mount St. Francis — and Montecalvo managed the homes' finances. Although the nursing homes didn't generate enough cash to meet all their expenses, the defendants ordered a total of \$780,000 in payments to My Place, Inc., a company that Giordano's daughter owns. My Place provided fringe employee services, such as holiday parties. Administrators complained that the services were useless, but the defendants directed that the payments continue. Judge Mary M. Lisi also fined Giordano \$100,000 and ordered full restitution. *Assistant U.S. Attorney Andrew J. Reich.*



(continued on page 7)

CIVIL DOCKET SHEET

Criminal alien is deported to Liberia

Paul Johnson was an immigrant from Liberia who amassed a criminal record in Rhode Island that included cocaine trafficking and possessing a sawed-off shotgun. Ordered deported, he filed four Habeas Corpus petitions over five years, challenging the deportation. He claimed derivative citizenship and cited the inability of Immigration officials to remove him from the country. His most recent petition, filed in June 2006, was ruled moot after the Bureau of Immigration and Customs Enforcement sent him back to Liberia in August. *Assistant U.S. Attorney Robin E. Feder.*

Civil AUSA named Immigration Judge: Assistant U.S. Attorney Robin E. Feder, a ten-year veteran of the U.S. Attorney's Office, has been appointed a U.S. Immigration Judge. Ms. Feder joins the Boston Immigration Court, where she will hear a variety of immigration cases, including the removal of criminal aliens and requests for asylum.

Claim for disability insurance leads to denial of citizenship

Gero Meyersiek is a German immigrant who had a successful career as a corporate executive. After he lost a job in 2001, he applied for disability insurance, claiming that he could not work or travel because of a degenerative visual disorder. At about the same time, he applied for U.S. citizenship. Evidence was presented that Meyersiek had been terminated for cause, not because of disability, that he continued to travel both for business and pleasure and that he was actively seeking employment. His petition for citizenship was denied because he misrepresented both the reason he'd stopped working and his disabilities. Judge Mary M. Lisi determined that, even though he was never criminally charged, Meyersiek failed to meet the statutory requirement that he had been and continued to be a "person of good moral character." *Assistant U.S. Attorney Robin E. Feder.*

ASSET FORFEITURE

Heroin dealer's commercial building is forfeited to the government

With DEA agents monitoring the transactions, **Rafael Santos** sold heroin out of his hair salon in a commercial building that he owned on at 989-993 Broad Street, Providence. He was convicted and sentenced to 41 months in prison. Because he used the building to sell drugs, the government successfully sought its forfeiture. Santos is also subject to deportation. *Assistant U.S. Attorneys Adi Goldstein and Michael P. Iannotti.*

Dermatologist's apartment nets \$1,000,000 in forfeiture sale

Marvin Heldeman, a 71-year old dermatologist, was sentenced to 46 months in prison for writing medically unnecessary prescriptions for anabolic steroids and pain killers, which he gave to body builders in his apartment on the upper west side of New York City. The prescriptions were filled in Rhode Island pharmacies and partially paid for by Blue Cross Blue Shield of Rhode Island. Because Heldeman used it for drug trafficking, the apartment was forfeited to the government and recently sold for \$1.2 million. The net proceeds, \$995,698, will be shared with law enforcement agencies that participated in the investigation. *Assistant U.S. Attorneys Luis M. Matos and Michael P. Iannotti.*

ANTI-TERRORISM: HOMEGROWN TERRORISTS

BY BRIAN J. PIRES

There's been considerable dialog recently about the "new face of al-Qaeda" and the new faces of radical Islamic terrorism. Most terrorism "experts" – academics, security professionals and pundits of every persuasion – agree that the old, strictly hierarchical al-Qaeda has morphed into loosely affiliated networks of operatives in various western countries, with minimal if any ties to the al-Qaeda organization.



Adam Gadahn, seen here in an al-Qaeda video, is a California native believed to be in Pakistan. Also known as Azzam the American, Gadahn is believed to be the voice on a 2004 al-Qaeda communiqué threatening that America's streets would "run red with blood." A federal grand jury has charged him with treason.

Terrorism experts share concerns that the next attack in the U.S. will be carried out, not by an "imported" cell, but rather by persons living in this country, below the sweep of the intelligence networks. Collectively these indigenous operatives are known as "homegrown."

The less formalized structure of the homegrown networks has frustrated efforts to penetrate them. The members of these groups, because they are homegrown, can move easily between cultures; they can present a Western persona when this facilitates travel and access to potential targets.

Often, the Internet serves as a surrogate for formalized al-Qaeda training and recruitment. And communication within cells can be cloaked through sophisticated use of Internet networks. One method is leaving e-mails posted on a Web site in "draft" form and sharing them through common passwords.

Homegrown cells, such as the Canadian 17 and the London and Madrid bombers, have consisted of men in their late teens to mid twenties who have a strong affiliation with an older, charismatic father figure who provides religious instruction and mentoring. The vast majority have been sons of immigrant Muslims who were not fervently religious. These young men typically came from predominantly middle class backgrounds and grew up in predominantly urban areas where their parents were regarded as hard-working, solid citizens. All have been literate, most had completed high school and many had attended college.

They typically form break-away sects under the charismatic figure. Of course, this is not unique to radical Islamic sects. The Branch Davidians who engaged in a standoff with federal agents in Waco, Texas were a break-away Mormon sect. And followers of the Aum Shinrikyo Buddhist sect attacked the Tokyo subway with Sarin gas.

There is evidence that the disenfranchised Islamic subculture that has bred homegrown cells in Europe is far less prevalent in the United States, where Muslims, like other groups of immigrants, have more easily assimilated into the larger culture. In some Western European countries, by contrast, Muslims have been essentially ghettoized. This difference may lower the possibility that there are cells of homegrown terrorists festering in the U.S. but it does not eliminate it.

Brian J. Pires is the Anti-Terrorism Intelligence Specialist with the U.S. Attorney's Office.

DIRECTOR'S AWARDS

Royal Flush Prosecutors Honored

The two federal prosecutors in Operation Royal Flush, Assistant U.S. Attorneys Mary E. Rogers and Stephen G. Dambruch, are among the recipients of the Department of Justice's 2006 Director's Awards. Involving nine federal, state, and local law enforcement agencies, Royal Flush was the first investigation in Rhode Island to use court-approved wire intercepts against a street gang. Assistant U.S. Attorney Rogers drafted applications for a half-dozen wiretap orders and Assistant U.S. Attorney Dambruch subsequently drafted search warrant affidavits. Through those wiretaps and searches, agents developed evidence of significant crack-cocaine trafficking within the Latin King community in Rhode Island. Twelve federal defendants pled guilty. Assistant U.S. Attorneys Rogers and Dambruch went to trial on one and secured a conviction and a life sentence. (see [Conviction and life sentence upheld](#), page 2)

Each year, the Director's Awards, named for the Director of the Executive Office for United States Attorneys, is bestowed on employees of U.S. Attorney's offices throughout the country who have distinguished themselves through extraordinary professional achievements and excellence.

CRIMINAL DOCKET SHEET (Continued)

Two get long prison terms for gang-related pipe bombing

A federal judge sentenced **Bobby Soundara** to ten years and **Vanhhatdy Souvaunaxab** to 90 months in

prison for a pipe bomb incident that maimed the mother of a gang rival. Capping a year-long series of shootings and assaults between the defendants' street gang, Laos Pride, and a rival one, Young Bloods, Soundara tossed a five-inch pipe bomb through the window of a rival's home. When the bomb exploded, the rival's mother lost an eye and suffered severe lacerations. Souvaunaxab had constructed the bomb using materials taken from his workplace and gunpowder removed from fireworks. At the sentencing, the courtroom was packed with the victim's family and about a dozen Laos Pride members, affording the government and the sentencing judge an opportunity to address the defendants and also their fellow gang members in the gallery. "There will

be zero tolerance toward gang violence in Rhode Island," U.S. Attorney Robert Clark Corrente said afterward. *Assistant U.S. Attorney Richard W. Rose.*



The RI Gang Task Force helped solve the pipe bomb case



ATF and Cranston Police worked the case

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