

Six People Arrested for Allegedly Bilking Millions of Dollars of Goods from Food Bank

On October 7, 1999, a man and woman, their lawyer and three private investigators in their employ were arrested for alleged involvement in an elaborate conspiracy. The conspiracy included bilking millions of dollars worth of goods from a food bank, burning buildings for insurance, stalking, and trying to corrupt the judicial system. Another lawyer is being sought. The 266-count criminal complaint stemmed from a 29-month investigation conducted by the San Bernardino County District Attorney's Office. The couple was charged with a total of 107 counts including conspiracy to commit grand theft, insurance fraud, money laundering, obstruction of justice, arson, and assault with a deadly weapon.

The couple was accused of selling nearly 3 million pounds of food and other merchandise they obtained for free from the Second Harvest Food Bank in Riverside, CA, beginning in 1991. The food was obtained using the tax-exempt status of a nonprofit group without the group's knowledge. In addition, the couple allegedly used private investigators to stalk and harass the husband's ex-wife, her boyfriend and others; filed false lawsuits to force judges off court cases in which he was involved; set fire to their Rancho Cucamonga home and collected \$600,000 in insurance; and conspired to set fire to a warehouse.

The California Department of Justice, Bureau of Narcotics Enforcement, assisted investigators from the San Bernardino County District Attorney's Office by conducting a review of the Currency and Banking Retrieval System (CBRS) database for BSA reports relating to the subjects. The review was accomplished through FinCEN's Gateway System. Three Suspicious Activity Reports, nine CTRs, and two Currency Transaction Reports by Casino (CTRCs) were filed. The lead investigator said the BSA documents provided to him assisted in justifying probable cause to obtain several signed search warrants. He further stated that it gave him a much better sense of the way cash was used by the husband, his primary subject. The documents also helped him to locate a bank that the husband was using to withdraw large amounts of cash. A total of 45 search warrants were served in this case.

All remain jailed, with bail ranging from \$500,000 to \$7.5 million each.

(Source: Lead Investigator, San Bernardino County District Attorney's Office)

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