



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277*

For Immediate Release:

Contact: Gina Balaya (313) 226-9758

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EVENT: Conviction

Defendant: Richard Erangey

**A Resident of Redondo Beach, California Sentenced to 12 months And 1 day
Imprisonment For Wire Fraud**

United States Attorney Stephen J. Murphy announced that Richard Erangey, a resident of Redondo Beach, California, was sentenced to 12 months and 1 day imprisonment for wire fraud conducted between 1996 and 2000. The Court also imposed restitution in the amount of \$172,000 to be paid to California real estate developer Hoyt S. Pardee. Erangey was convicted after pleading guilty October 24, 2007.

Richard Erangey was originally charged as a co-defendant of Ilene R. Moses. The charges focused upon Moses defrauding the owners of an ocean front condominium building, known as the Shorecliff Towers, in Santa Monica, California into believing that secret high level Chinese government officials would purchase a controlling number of condominium units for approximately \$25 million. In order to convince her American and European investors, Moses, under the guise that she would be investing hundreds of millions of dollars into the Chinese textile industry, was able to arrange for meetings with high level Chinese officials including Zhu Rongji, former Mayor of Shanghai who became premier of China in 1998 and served until 2003. Prescott Bush, brother of former President George H.W. Bush, served as one of her consultants and her negotiating team included the former chairman of Warnaco Inc.,

the owner of Calvin Klein and Christian Dior companies. While the Chinese government believed that Moses was investing American and British monies in China through her company, her wealthy American and British investors believed that the money for her ventures was coming from a secret group of Chinese government officials who were represented by a Hong Kong law firm during the negotiations. It turned out that the secret client of the Hong Kong law firm was merely an associate of Moses who had no contact with any Chinese government officials.

Between 1992 and 2000, Moses was able to persuade the two owners of the Shorecliff Towers, David Brice and Hoyt S. Pardee, a wealthy California developer, to lend her approximately \$4.54 million pending her negotiations with the Chinese and also to provide her with two of the condominium units overlooking the ocean rent free for a number of years. Richard Erangey was the manager of the Shorecliff Towers condominium, the building where the late Hollywood actor, William Holden, died. It is located overlooking the famous Santa Monica Pier on the Pacific Ocean and the scenic Palisades Park where numerous Hollywood movies have been shot. Erangey was persuaded by Moses to act as an architectural consultant on her China ventures and traveled with her entourage to China on more than one occasion during the mid to late 1990s. When Hoyt S. Pardee became the primary owner of the Shorecliff Towers in 1995, he retained Erangey as manager and Erangey liaised between Moses and Pardee.

Last October, however, Erangey pled guilty to skimming for his personal use \$172,000 of the last two loans totaling \$540,000 which Hoyt Pardee had provided to him for Moses in support of her ongoing negotiations with the secret Chinese who were purportedly going to purchase the Shorecliff Towers. Ilene Ruth Moses has been convicted after trial for her earlier fraud involving \$26 million in fraudulently obtained bank loans and is currently serving a 17 year sentence in Federal prison. The Court took her China venture fraud into consideration in imposing her term of imprisonment.

United States Attorney Stephen J. Murphy said, "Although bringing Mr. Erangey, Mrs. Moses and their associates to justice took extraordinary effort and resources on the part of the

Federal Bureau of Investigation and this office, in the end, this sophisticated, complex and daring fraud was exposed, and appropriately punished. We hope this final chapter will bring some sense of satisfaction to the victims of her Shorecliff Towers fraud.”

Assistant United States Attorneys Lynn Helland and Ross MacKenzie, who prosecuted the case, said that, "The sentencing of Richard Erangey closes the book on the amazing frauds of Ilene Ruth Moses. For over twenty years, she was able to persuade some of the most sophisticated and wealthy business people, attorneys, accountants, and bankers in the United States and Europe that her business ventures were legitimate without producing a single dollar of return. Although Mr. Erangey played a much less significant role, his own acts of theft could not go unpunished.”

The defendant has been permitted to return to California pending his notification by the Bureau of Prison to report to the designated Federal Correctional Institution.

The case was investigated by Special Agents of the Federal Bureau of Investigation.