



# Department of Justice

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## **MAN SENTENCED FOR \$500,000 FRAUD COMMITTED AGAINST HIS EMPLOYER**

### PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that MICHAEL W. RILEY, 41, of Princeton, Indiana, was sentenced to 60 months imprisonment by U.S. District Judge Richard L. Young following his guilty plea to wire fraud and making a forged security of an organization. This case was the result of an investigation by the U.S. Secret Service and the Vanderburgh County Sheriff's Department.

RILEY plead guilty to the offenses on May 29, 2007. Between May 25, 2004, and August 30, 2006, RILEY was an employee of ECS Solutions, an Evansville business that has clients outside of Indiana and within Indiana. While working for ECS Solutions RILEY was responsible for managing all of ECS Solutions financial transactions including payroll, taxes and business expenses. In May of 2005, RILEY started a new system of paying business expenses by electronic funds transfers.

In early August of 2006, RILEY stopped reporting to work and told the president of ECS that he was sick. RILEY later admitted that he claimed to be sick because he knew a new accounting system was about to discover his theft scheme. While RILEY was out of the office the president of ECS discovered numerous suspicious electronic funds transfers from the ECS accounts. A complete exam of the ECS business account activity was initiated as a result of the president's concerns.

The detailed exam of the ECS business checking accounts resulted in the discovery of a large fraud scheme involving 140 wire transfers and 17 forged ECS checks totaling \$536,365.23. All the wire transfers were directed to RILEY's personal bank account. The 17 fraudulent checks were written to a legitimate payee at the time they were signed by the ECS president. After the signature was obtained, RILEY removed the legitimate payee name from the check and replaced it with his own name as the payee. All the fraudulent checks were then deposited into RILEY's personal account.

On September 7, 2006, the lead Secret Service agent interviewed RILEY and he provided a full confession to the commission of the wire fraud offense and the check fraud offense. RILEY stated that he used his ECS computer, which had internet access, to direct the electronic funds transfers from the ECS accounts to his personal bank account. RILEY admitted that he lost all the proceeds from the scheme by gambling.

According to Assistant United States Attorney Todd S. Shellenbarger, who prosecuted the case for the government, Judge Young also imposed 2 years supervised release following RILEY's release from imprisonment. RILEY was ordered to make restitution in the amount of \$536,365.23 to ECS Solutions Inc.

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