



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: Guilty Plea

Defendant: Frank Vallecorsa

**FORMER PRESIDENT OF AMERICAN INTERNATIONAL, INC. PLEADS
GUILTY TO EMBEZZLING APPROXIMATELY \$745,000 IN PENSION FUNDS**

The former head of American International, Inc., pleaded guilty today to a one-count Information charging him with the embezzlement of approximately \$745,000 from two company pension funds, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Gordon S. Heddell, Inspector General for the U.S. Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigation.

Frank Vallecorsa, 77, of Grosse Pointe Farms, Michigan, entered the guilty plea in United States District Court before Judge David M. Lawson.

The information presented to the court at the time of the plea showed that between February 2001 and June 2003, while Vallecorsa was heading American International, Inc., he embezzled approximately \$745,000 from two company pension funds in order to keep his financially-depressed company afloat. At the time, Vallecorsa was the sole trustee of both employee pension plans.

Vallecorsa faces up to 60 months imprisonment and a fine of up to \$250,000. Vallecorsa will also be required to make full restitution to those whose pension funds he unlawfully converted.

United States Attorney Stephen J. Murphy said, "Embezzlement of employee pension funds is a betrayal of the duties that corporate officers owe their company, its workers, and the public."

A sentencing hearing was set by Judge Lawson for 3 p.m. on August 25, 2008.

United States Attorney Murphy specifically thanked the Employment Benefits Security Administration of the Department of Labor and the Detroit Office of the Inspector General of the Department of Labor for its hard work in conducting the investigation of this case.