



U.S. Department of Justice

*United States Attorney
District of Maryland
Northern Division*

*Allen F. Loucks
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD:410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

**January 26, 2005
FOR IMMEDIATE RELEASE**

**FOR FURTHER
INFORMATION CONTACT
VICKIE E. LEDUC, AUSA
(410) 209-4885**

REINHARDT AND ALLEN CONVICTED IN FRAUD SCHEME

Baltimore, Maryland - Allen F. Loucks, United States Attorney for the District of Maryland, announced the conviction today of Ernest Robert Reinhardt, age 34 and Byron Allen, age 35, both of Orange County, California, after 8 weeks of trial, on 35 of 38 counts of wire fraud arising from a complex scheme to obtain money from finance companies.

The evidence presented at trial showed that as part of the scheme, from November 1999 through 2001, Reinhardt and Allen, through Reinhardt's company Tech Com, along with other co-defendants, used fake companies to apply for financing for business leases representing that Tech Com was supplying computer equipment when, in fact, there was no equipment. Reinhardt and Allen would then keep some of the money and forward on some of the fraud proceeds to the purported lessees of the computer equipment. Many of the fake companies were in Maryland. All of the other co-defendants in this case pleaded guilty.

According to the evidence presented at trial, the defendants used various methods to facilitate their fraud, among them: the acquisition of shell corporations whose corporate histories could be used to legitimize the fake businesses in whose names the lease applications were filed; filing and

creating fraudulent documents such as corporate resolutions, financial statements, tax returns and accounting firm opinion letters, all of which falsely represented the financial condition of the businesses making the applications; and forging the signatures of numerous individuals whose identities were misappropriated.

The fraud scheme involved millions of dollars in unlawful proceeds obtained through the financing that resulted from the fraudulent lease applications.

Each fraud count carries a maximum penalty of 5 years imprisonment, a \$250,000 fine, and up to 3 years of supervised release.

This case was investigated by the Federal Bureau of Investigation and the U.S. Postal Inspection Service. The case was prosecuted by Assistant United States Attorneys Christine Manuelian and Ari Casper.