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## **NEWS RELEASE**

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### **VALLEY COUPLE CHARGED WITH CONCEALING AND LAUNDERING MORE THAN \$7 MILLION IN AN EXTENSIVE BANKRUPTCY FRAUD SCHEME**

SACRAMENTO--United States Attorney McGregor W. Scott, Special Agent-in-Charge, Roger L. Wirth, Internal Revenue Service, Criminal Investigation Division ("IRS-CID"), and Special Agent-In-Charge, Drew Parenti, Federal Bureau of Investigation, announced today that JAMES BURKE, 54, and LINDA BURKE, 43, formerly of Vacaville, California, have been charged with concealing cash, real estate, and other assets valued at more than \$7 million, and laundering fraud proceeds through multiple bank accounts in the United States and Canada. JAMES BURKE is charged individually with bankruptcy fraud, and making false oaths at a bankruptcy proceeding, and collectively with LINDA BURKE with fraudulent concealment, and multiple counts of money laundering relating to the bankruptcy fraud. Defendant JAMES BURKE is scheduled for his initial appearance and arraignment today at 2 p.m. before the Hon. Gregory G. Hollows. Defendant LINDA BURKE will make an initial appearance on September 16, 2005, at 2 p.m.

This case is the product of an extensive/joint investigation by the IRS-CID and the Federal Bureau of Investigation. The United States Bankruptcy Trustee Office also assisted with the case.

According to Assistant United States Attorney Robin R. Taylor who is prosecuting the case, the charges arise out of fraud committed by the defendants in connection with a Chapter 11 bankruptcy filed on February 14, 2002, by Truck-A-Way, Inc. ("TAW"), a now-defunct hauling

company formerly in Dixon, California. The Indictment alleges that from approximately October 1999 through November 2002, defendant JAMES BURKE transferred and concealed company assets from creditors and the bankruptcy trustee, including \$3.068 million owed by him to TAW, real property, a Cessna airplane, and tractors. On or about February 14, 2002, defendant JAMES BURKE put TAW into Chapter 11 bankruptcy to impede the ability of creditors to recover their debts against TAW. As part of the fraud, defendant Linda Burke assisted her husband with concealing the assets, and each of the defendants engaged in extensive money laundering activity, transferring millions of dollars of fraud proceeds through multiple bank accounts, at different banks, to conceal the funds. By November 2002, more than \$1.1 million had been transferred into a Canadian bank account in the name of a family member, to keep the funds out of reach.

The defendants JAMES BURKE and LINDA BURKE face a maximum of 20 years in prison for each of the money laundering offenses charged under 18 U.S.C. § 1956, and a maximum of 10 years in prison for those charges alleged under 18 U.S.C. § 1957. The bankruptcy fraud charges carry a maximum of 5 years in prison for each count. In addition, for each count the defendants can be ordered to pay a fine of not more than twice the value of the monetary instruments or funds involved, or both, and restitution.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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