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**LOCAL MAN PLEADS TO TAX CHARGES RELATING
TO UNREPORTED PROFITS FROM PONZI SCHEME**

Baltimore, Maryland- Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced today that Robert B. Sando, age 51, of the 100 block of Oak Drive, Catonsville, pled guilty to filing a false tax return in U.S. District Court before the Hon. Catherine C. Blake. Sando was a regional marketer of promissory notes for a nationwide business called Cash 4 Titles until its collapse in October, 1999.

Operating out of dozens of storefronts especially in Southeastern states, Cash 4 Titles provided high-interest payday loans to borrowers who turned over their car titles as collateral. The principals of cash 4 Titles then marketed promissory notes to investors purportedly to raise capital to fund the loans. Interest was paid to the investors in the notes by monthly deposits into bank accounts in the Bahamas that could be accessed in the United States through credit and debit cards. Marketers of the notes, including Mr. Sando, earned commissions that were similarly paid into bank accounts in the Bahamas. On October 15, 1999, the United States Securities and Exchange Commission brought the scheme to a halt by obtaining a temporary restraining order in federal court

in Chicago against 26 defendants, including Charles R. Homa and Michael Gause, the principals of Cash 4 Titles. According to the SEC complaint, Homa and Gause stood atop a multi-layered marketing scheme that raised as much as \$300 million from 1997 to 1999 from investors who were told that their money would fund Cash 4 Titles loans. In fact, very little of the money went to that purpose, according to the complaint, and the business was a Ponzi scheme that transferred money from new investors to overseas accounts and used it to pay interest to existing investors and commissions to marketers of the notes. After the scheme collapsed in October, 1999, the court in Chicago appointed a Receiver to assemble the remaining assets of the scheme and make partial compensation to thousands of investors who lost money. Homa, Gause and other high-level marketers subsequently pled guilty to fraud and money laundering charges in federal court in New York.

Sando was not named as a defendant in the SEC case and is not charged as a knowing participant in a fraudulent scheme. In his plea today, he agrees that he failed to report to the IRS the commission income he earned for selling Cash 4 Titles promissory notes, primarily to Maryland investors. According to the plea agreement, Sando reported a taxable income of \$30,772 for 1998, while his actual taxable income was \$644,410. The total tax loss for 1997 and 1998 was \$266,596, and Sando agreed to pay restitution in that amount as part of his plea.

No date has been set for sentencing. The maximum penalty for subscribing to a false tax return is three years imprisonment followed by a term of supervised release of one year and a \$100,000 fine.

The case was investigated by special agents of the Internal Revenue Service and the Securities Division of the Office of the Maryland Attorney General. The case is being prosecuted by Assistant United States Attorney Robert R. Harding.