



**November 3, 2003**

## **Real estate company owner admits to money structuring**

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### **William Ricci kited checks through a check-cashing company to artificially inflate his real estate companies' worth when applying for bank loans**

William Ricci, of Providence, owner of several real estate companies, pleaded guilty today to federal money-structuring charges in a scheme in which he moved money among his business accounts to artificially inflate the value of the companies when applying for financing. Ricci admitted that he cashed checks at a check-cashing company in Providence and, to create the appearance of cash flow, redeposited cash and money orders generated by the checks into his own business accounts.

The Office of the United States Attorney, Joseph A. Galasso, Special Agent in Charge of the Internal Revenue Service, Criminal Investigations Division, and Kenneth W. Kaiser, Special Agent in Charge of the Federal Bureau of Investigation, jointly announced the guilty plea and a one-count information that was filed on October 20. Ricci, 57, of 725 Branch Avenue, entered his plea before U.S. District Court Judge William E. Smith in U.S. District Court, Providence.

At the plea hearing, Assistant U.S. Attorney James H. Leavey said that, had the case gone to trial, the government would have proven that, in February 1998, Ricci embarked on a scheme to obtain financing for his various companies by submitting fraudulent documentation that artificially inflated the value of his real estate companies. In this manner, Ricci applied for and obtained more than \$1.5 million in financing for his various companies, including Vandewater Realty, 715 Branch Realty, RRS Realty Trust, Inc., Wanscuck Hall Realty, and Branch Realty.

To substantiate the artificially inflated figures that Ricci submitted in loan applications, he used a check-kiting scheme designed to generate the appearance of cash flow. Ricci cashed a series of checks at Anthony's Check Cashing, Inc., all for amounts of less than \$10,000, the threshold amount requiring an institution to report a transaction to the federal government. One series of checks were made out payable to Ricci himself. Another series were made payable to existent and non-existent third parties who were made to appear as if they were subcontractors.

Cash and money orders generated by the checks were deposited back into business accounts under Ricci's control. Assistant U.S. Attorney Leavey said that the re-deposited funds were used to give the appearance of a thriving business with substantial gross receipts.

Ricci admitted that, between February 1999 and December 1999, he structured approximately \$1,307,498 through 400 checks, all in amounts less than the \$10,000 reporting level.

Ricci pleaded guilty to one count of structuring transactions for the purpose of evading federal reporting requirements. The charge was contained in an information that was filed when Ricci waived his rights to have the evidence against him reviewed by a grand jury.

Ricci is free on unsecured bond pending sentencing, which is scheduled for January 23. The statutory maximum penalty for structuring money transactions is ten years in federal prison and a fine of \$500,000 or twice the amount of gain or loss. Ricci's exact sentence will be determined on the basis of federal sentencing guidelines, which take into account such factors as the specific nature and impact of an offense and a defendant's criminal background, if any.

The Internal Revenue Service, Criminal Investigations, and the Federal Bureau of Investigations jointly investigated the case. Assistant U.S. Attorney Leavey is prosecuting it.