

The United States Attorney's Office

## District of Massachusetts

### Press Releases

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FORMER CEO OF MED DIVERSIFIED PLEADS GUILTY  
TO MONEY LAUNDERING AND FILING FALSE TAX RETURN

BOSTON, MA - A North Andover man was convicted today in federal court of one count of money laundering and one count of filing a false tax return.

United States Attorney Michael J. Sullivan; Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation in New England; and Douglas A. Bricker, Special Agent in Charge of the U.S. Internal Revenue Service, Criminal Investigation, in New England, announced today that FRANK P. MAGLIOCHETTI, age 49, of 30 Coachman's Lane, North Andover, Massachusetts, pleaded guilty before U.S. District Judge Joseph L. Tauro to an Information charging him with money laundering and filing a false tax return.

At today's plea hearing, MAGLIOCHETTI admitted that in 2002, while MAGLIOCHETTI was President and Chief Executive Officer of Med Diversified, Inc., a home health care company that was then publicly traded on the American Stock Exchange, he laundered \$330,000 in funds that he had converted from Med Diversified in order to conceal the source of those funds. In addition, MAGLIOCHETTI filed a false tax return for 2002, also in order to conceal the source of those funds, and on that tax return falsely identified the funds as a capital gain.

Judge Tauro scheduled sentencing for May 22, 2007. MAGLIOCHETTI faces up to 20 years' imprisonment, to be followed by 5 years of supervised release, and up to a \$660,000 fine on the money laundering charge. He also is subject to forfeiture of \$1,080,000 on this charge. MAGLIOCHETTI faces up to 3 years' imprisonment, to be followed by 1 year of supervised release, and up to a \$120,000 fine on the tax charge.

The case was investigated by the Federal Bureau of Investigation and the U.S. Internal Revenue Service. It is being prosecuted by Assistant U.S. Attorney Jeremy M. Sternberg of Sullivan's Health Care Fraud Unit, with assistance from Trial Attorney Mark Yost of the Asset Forfeiture and Money Laundering Section of the Department of Justice's Criminal Division.

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