



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

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News Release

FOR IMMEDIATE RELEASE
Thursday, May 8, 2008

Jury convicts Ramsey couple of conspiracy to defraud cable television service providers

After nearly two days of deliberation, a federal jury issued guilty verdicts today against a Ramsey couple who defrauded cable television service providers by selling cable descramblers that allowed cable customers to receive premium and pay-per-view programming without payment to the cable companies.

At the United States Courthouse in St. Paul, Jon Henry Sweeney, 51, and Michelle Ann Sweeney, 46, were each found guilty of one count of conspiracy, one count of unauthorized interception of cable service, one count of aiding and abetting currency structuring, and one count of currency structuring. Jon Sweeney was found not guilty on one count of bankruptcy fraud. The couple was indicted on Aug. 8, 2006.

Four additional defendants have pleaded guilty before U.S. District Court Judge Patrick Schiltz. Shawn Ray Orr, 38, Minnetonka, and Dana Lee Orr, 35, Minnetonka, both pleaded guilty March 25 to four counts of failure to pay over withheld taxes. Abraham David Paquette, 30, Faribault, pleaded guilty March 31 to one count of conspiracy, and on April 4, Daniel Jason Quade, 37, Kerrick, also pleaded guilty to one count of conspiracy.

The Sweeneys' indictment alleges that the couple owned and operated Micro-Star Technology, a business with locations in Elk River and Ramsey. Under the Sweeneys' direction, starting in May 1996 the company engaged in the business of programming computer chips and manufacturing circuit boards and cable boxes designed to descramble available cable television channels, including premium and pay-per-view ones, to defraud cable TV companies of subscription revenue.

The Sweeneys used the U.S. Postal Service and other carriers to receive and ship component parts for the manufacture of these illegal descramblers, and paid themselves from the proceeds of the fraud. The Sweeneys also reinvested some of the proceeds back into the business to promote the scheme.

Paquette and Quade operated Core Innovation Systems (CIS), a company that purchased and sold for profit cable boxes modified to descramble cable TV channels. From August 2000 to August 2001, CIS purchased cable descramblers from Micro-Star Technology.

The jury found that Jon and Michelle Sweeney did knowingly and willfully structure and assist in the structuring the purchase of a 2004 Chrysler Town & Country minivan on Oct. 11, 2003, for the purpose of avoiding the filing of a currency transaction report. After negotiating the purchase price of \$32,163.22, Jon Sweeney paid \$9,900 in cash, and Michelle Sweeney wrote a check for the remaining \$22,263.22. Federal law provides that any financial transaction over \$10,000 must be reported to the Internal Revenue Service.

The jury also found that on Jan. 20, 2004, Jon Sweeney did knowingly and willfully structure the purchase of a 2003 Ford Focus. After he negotiated the purchase price of \$10,699.75, Sweeney paid \$9,900 in cash and wrote a check for the remaining \$749.75.

On Oct. 28, 2002, the jury found that Michelle Sweeney did knowingly and willfully structure a \$9,900 transaction at the First National Bank of Elk River based on a \$9,900 cash withdrawal.

Jon Sweeney faces a potential maximum penalty of five years in prison, and Michelle Sweeney faces a potential maximum penalty of five years. The Sweeneys are also subject to a fine up to \$250,000. Judge Schiltz will determine their sentences at a future date.

Shawn Orr and Dana Orr each face a maximum potential penalty of five years; Paquette and Quade each face a potential maximum penalty of five years. All four defendants also face a potential fine of up to \$250,000. Judge Schiltz will also determine their sentences at a future date.

This case is the result of an investigation by the IRS-Criminal Investigation Division and the Federal Bureau of Investigation. It is being prosecuted by Assistant U.S. Attorneys Michelle E. Jones and Leshia Lee-Dixon.



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