



U. S. Department of Justice
United States Attorney
Eastern District of Washington

PRESS RELEASE

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Friday, April 20, 2007	Thomas Rice, First Assistant U.S. Attorney (509) 353-2767

“FOUR PLEAD GUILTY TO RACKETEER INFLUENCED and CORRUPT ORGANIZATIONS ACT CONSPIRACY INVOLVING CONTRABAND CIGARETTES”

Yakima – Today, James A. McDevitt, United States Attorney for the Eastern District of Washington, announced that four defendants pleaded guilty to conspiracy to violate the Racketeer Influenced and Corrupt Organizations Act (RICO). Louie Mahoney, age 58, Margaret Jose, age 61, Christine Mahoney-Meyer, age 55, all three of Plummer, Idaho, and Roger Fiander, age 67, of Wapato, Washington, entered their pleas in federal court before Chief Judge Robert H. Whaley. Sentencing is set for August 28, 2007, in Yakima. Codefendants Gerald George, Lyle. W. Conway, both of Fife, Washington, Lyle Shawn Conway, of Tacoma, Washington, and Kathleen Mahoney, of Walla Walla, Washington, all have previously entered guilty pleas to the RICO conspiracy charge as well.

The RICO charge was based upon the sale and transportation of contraband cigarettes from Plummer, Idaho, into Washington State. “The object of the RICO conspiracy was to circumvent the payment of Washington State taxes,” said James A. McDevitt. McDevitt explained that during the course of the RICO conspiracy, from July, 1999 to May 20, 2003, over \$56 million in taxes were avoided by selling unstamped and unreported cigarettes to Washington tribal retailers. According to the Washington State Liquor Control Board, 71 percent of the taxes collected on cigarettes are applied toward health care; 16 percent are devoted to the general fund; 7 percent are directed toward programs to stop youth violence; and the final 6 percent are devoted to water quality.

Fourteen individuals have now pleaded guilty in this and related contraband cigarette and money laundering investigations. These investigations, spanning more than five-years, have resulted in the seizure of \$3.1 million in cash, over \$2 million in seized bank accounts and over 200,000 cartons of cigarettes.

The maximum penalty for the RICO Conspiracy charge is 20-years imprisonment, up to \$250,000 fine and a term of court supervision of not more than 3 years after imprisonment.

The Bureau of Alcohol, Tobacco, Firearms and Explosives; the Internal Revenue Service - Criminal Investigation; the Washington State Liquor Control Board; and the United States Attorney's Office joined forces to investigate this case. Washington State Assistant Attorney General Jerry Ackerman and Assistant United States Attorney Jane Kirk prosecuted this case.