



**U.S. Department of Justice**

*United States Attorney  
Eastern District of California*

*501 I Street, Suite 10-100  
Sacramento, California 95814*

*916/554-2700  
Fax 916/554-2900*

For Immediate Release  
September 15, 2004

*Contact: Patty Pontello, 916-554-2706  
www.usdoj.gov/usao/cae*

**ROSEVILLE/REDDING BUSINESSMAN  
ARRESTED FOR INVESTMENT FRAUD AND TAX EVASION**

SACRAMENTO--United States Attorney McGregor W. Scott and Internal Revenue Service-Criminal Investigation (IRS-CI) Special Agent in Charge Victor S.O. Song announced the arrest of RONALD JAY MACK, aka Robert Carter, 52, a resident of Roseville, on charges relating to an investment fraud scheme that allegedly netted over \$680,000 during 2000 and 2001. MACK was arrested yesterday outside his home in Roseville by IRS special agents based on a warrant issued by United States Magistrate Judge Gregory G. Hollows. A federal grand jury in Sacramento indicted MACK on Thursday, September 9, 2004 on twelve counts of mail fraud, 10 counts of money laundering and 3 counts of income tax evasion.

The arrest culminated an investigation that began in 2002 when the Foster City, California, Police Department received a complaint from the relative of a victim concerning a possible investment scam, and referred the matter to IRS-CI.

According to Assistant U.S. Attorney Matthew Stegman who is prosecuting the case, the indictment charges that RONALD JAY MACK, aka Robert Carter, operated businesses in the areas of Redding and Sacramento, as well as other California cities, using company names Ezra Enterprises, Navarrone Holding Co., and others. Defendant MACK devised a scheme to defraud investors by gaining their confidence while preparing living trusts for them, and then convincing them to invest large sums of money into nonexistent investment programs. MACK told the victims that the investments were totally safe, secure, guaranteed and bonded, and offered high yields free from federal income tax.

The indictment further charges that after MACK took the money from investors, he used the funds for personal spending on such items as charge card bills, rent, and payments to his relatives, and wire transferred the remaining funds into offshore bank accounts. None of the funds were placed in the promised investments.

MACK is charged with ten counts of money of laundering for purchasing cashier's checks, knowing that the funds represented the proceeds of fraud, and sending the cashier's checks as lulling payments to victims, with the intent to promote the carrying on of the fraud scheme. MACK is also charged with committing tax evasion relating to the years 1999, 2000 and 2001.

According to United States Attorney McGregor W. Scott "The United States Attorney's

Office is pleased to have joined with the IRS to target this type of fraud. Our vigorous prosecution efforts should serve as notice to others who would attempt to engage in tax evasion and fraudulent investment schemes.”

According to IRS-CI Special Agent in Charge Victor S.O. Song “Schemes such as this one are particularly abusive because they prey on people looking for assistance in complicated financial matters, and often target our more mature citizens. IRS-CI is proud to have investigated this matter, and will continue to work with local law enforcement in bringing federal criminal charges where appropriate.”

If convicted, MACK faces up to 20 years in prison for each of the mail fraud and money laundering charges. Each count of tax evasion carries a maximum prison term of 5 years.

The indictment contains only allegations and the defendant is presumed innocent until proven guilty at trial.

###