



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
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FOR IMMEDIATE RELEASE

FORMER SPRINGFIELD ATTORNEY PLEADS GUILTY TO FRAUD, OTHER FEDERAL CHARGES

SPRINGFIELD, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a former Springfield, Mo., attorney pleaded guilty in federal court today to several federal charges, including a \$1.6 million fraud scheme.

Gary A. Love, 55, formerly of Ozark, Mo., pleaded guilty before U.S. Magistrate Judge James C. England this afternoon to charges contained in four separate federal indictments, including defrauding more than \$1 million from a group of his clients and others through an investment scheme, making false statements in support of a bank loan application, filing a false tax return and failure to appear in court.

Love was a practicing attorney in the Springfield area from 1973 until his disbarment in September 2000, Graves said. **Love** controlled and operated various businesses, all of which are now dissolved, including Ozark Marine Design, Inc., New Horizon Marketing, Inc., and his law practice, Gary A. Love, P.C.

Mail Fraud

By pleading guilty today, **Love** admitted that he induced more than 10 individuals to invest funds with him through New Horizon Marketing, Inc., by false and fraudulent pretenses. **Love** claimed that New Horizon was engaged in the business of factoring accounts receivables in the trucking industry and that, due to his knowledge and experience, there was little or no risk of loss of investment. But **Love** didn't invest those funds as promised, Graves said. Instead, he used the money to make periodic payments that he told victims were returns on their investment.

“This was a typical Ponzi scheme,” Graves said. “Some of these investors were vulnerable. **Love** preyed on recent widows and people who weren't sophisticated in business. Several investors were clients of his law firm who were lulled into a false sense of trust.”

Love converted more than \$1 million of the fraudulently obtained money to his own use. The net loss to the investors was approximately \$1.6 million.

Bank Fraud

Love admitted that he made false statements to Sac River Valley Bank in Stockton, Mo., and its successor, Liberty Bank in Springfield, in November and December 1996 for the purpose of influencing those banks to extend credit on a loan application for Ozark Marine Design. That loan was guaranteed, in part, by the Small Business Administration. **Love** provided the banks with false balance sheets for Ozark Marine Design, Inc., Gary A. Love, P.C., and a false personal financial statement, all of which failed to reflect substantial debts, and an altered and false 1994 federal income tax return that showed **Love's** adjusted gross income for that year to be \$100,000 greater than he had actually reported to the Internal Revenue Service.

This resulted in a loss of approximately \$224,370 to Liberty Bank and the Small Business Administration, Graves said.

Although not among the specific charges contained in today's plea agreement, **Love** acknowledged that an additional act of bank fraud should be considered as relevant conduct for the purposes of sentencing. **Love** admitted that he defrauded Metropolitan National Bank by making false statements in an application for an operating capital loan for his law office on March 6, 1997. The total loss to Metropolitan National Bank, Graves said, was \$13,442.

False Tax Returns

Love admitted that he signed a 1995 U.S. Individual Tax Return in which he claimed a total income for him and his wife of \$43,497. **Love's** actual income, Graves said, was approximately \$206,463. The tax loss totaled \$56,773.

Love also acknowledged false statements on tax returns filed in 1996 and 1997 that should be considered as relevant conduct for the purposes of sentencing. **Love** admitted that the tax losses for those two years totaled \$101,379, for a total tax loss over the three-year period of \$158,152.

Failure To Appear

Love was released on a personal recognizance bond after being indicted, but fled the state and failed to appear in court for his trial on Oct. 28, 2002. **Love** was arrested by local authorities in Sedona, Ariz., on May 10, 2003.

Under federal statutes, **Love** may be subject to a maximum sentence of up to 48 years in federal prison without parole, plus a fine and restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

These cases are being prosecuted by Assistant U.S. Attorney Richard E. Monroe. They

were investigated by the United States Marshal Service, the Internal Revenue Service – Criminal Investigation, the Small Business Administration Office of Inspector General, the Greene County, Mo., Sheriff’s Department, the Sedona, Ariz., Sheriff’s Department, the Christian County, Mo., Prosecuting Attorney’s Office and the Office of the Missouri Attorney General.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow