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IOWA MAN KNOWN AS “THE BISHOP” INDICTED IN ALLEGED PLOT TO INFLATE STOCK PRICES BY MAILING TWO PIPE BOMBS AND THREATENING LETTERS TO INVESTMENT FIRMS

CHICAGO – An Iowa man who was arrested in April for allegedly mailing two partially connected pipe bombs from a Chicago suburb to investment firms in Denver and Kansas City early this year to extort actions in the securities markets was formally indicted by a federal grand jury, federal law enforcement officials announced today. The defendant, **John P. Tomkins**, also known as “The Bishop,” was charged with a variety of federal crimes in a 15-count indictment returned by a grand jury late yesterday. The charges link Tomkins to a series of more than a dozen threatening letters to investment companies and individuals associated with them dating back to the spring of 2005, some of them signed “The Bishop,” announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Thomas P. Brady, Inspector-in-Charge of the Chicago Division of the U.S. Postal Inspection Service.

Tomkins, 42, of Dubuque, was indicted on 10 counts of securities fraud, two counts of mailing a threatening communication with intent to extort, two counts of possession of an unregistered destructive device, and one count of using a destructive device while committing a violent crime. Tomkins was working as a machinist at a Dubuque manufacturing company when

he was arrested in Dubuque on April 25. He has been detained in federal custody in Chicago since then. Tomkins was formerly a substitute rural letter carrier who worked weekends for the U.S. Postal Service, but he was no longer employed by the Postal Service when the explosive devices were sent. There is no allegation that his previous employment was a factor in his alleged crimes.

The indictment also seeks forfeiture of two destructive devices that were seized from storage units at a Dubuque apartment complex on the day that Tomkins was arrested. He will be arraigned at a later date in U.S. District Court in Chicago.

Tomkins' arrest followed an intensive nationwide investigation by more than 100 Postal Inspectors, joined by agents from the Federal Bureau of Investigation's Joint Terrorism Task Force and the Bureau of Alcohol Tobacco Firearms and Explosives. The U.S. Securities and Exchange Commission, the Illinois State Police, the Iowa Department of Public Safety and the U.S. Attorney's Office in the Northern District of Iowa also assisted in the investigation. Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the FBI; Andrew L. Traver, Special Agent-in-Charge of ATF in Chicago; and Linda Thomsen, Director of the Enforcement Division of the SEC, joined Mr. Fitzgerald and Mr. Brady in announcing the charges.

Previously, Tomkins was charged in a criminal complaint with one count each of mailing a threatening communication with intent to extort and possession of an unregistered destructive device. The indictment includes those counts as well as additional charges, alleging that Tomkins engaged in a two-year securities fraud scheme to induce, by threats of violence, certain third-party investors and executives to manipulate the common stock of two companies to trade at artificially high prices that did not reflect the actual market, thus inflating the value of Tomkins' investments in them. Tomkins allegedly purchased common stock and call option stock contracts of Navarre Corp., a publicly-traded multimedia and home entertainment company that trades under the ticker

symbol NAVR, and 3Com Corp., which trades under the symbol COMS, intending to sell the stock and sell or exercise the options contracts when the market price was artificially raised in compliance with his demands. In all, Tomkins allegedly dispatched 17 extortionate letters and 2 explosive devices, typically to senior officials of investment firms that traded in the national securities markets and exercised investment discretion over assets entrusted to their management.

None of the securities firms that were threatened complied with Tomkins' alleged demands, law enforcement officials said.

Two parcels were allegedly deposited on or about January 26, 2007, at the Rolling Meadows Post Office in Rolling Meadows, Illinois, northwest of Chicago. One parcel was addressed to an individual at Janus Small Cap Value Fund at an address in Denver, where it was forwarded unopened by Janus to a related entity in Chicago. The second parcel was addressed to an individual at American Century Investments at an address in Kansas City, Missouri. Upon delivery, authorities were notified and both parcels were recovered by Postal Inspectors.

Each parcel allegedly contained what appeared to be a booby-trapped improvised explosive weapon, commonly known as a pipe bomb, but the firing circuits were not fully connected. Had a partially disconnected wire been connected to the battery in each device, the bomb would have exploded and could have caused property damage and serious injury or death to persons near the explosion.

The indictment alleges that each parcel contained a letter stating, in part: "[t]he only reason you are still alive is because I did not attach one wire" and warning that "if you decide you want to keep the people around you safe, you will do as I say." The letters also demanded there be a rally in the stock price of Navarre over three consecutive days in early February and setting minimum closing prices that escalated each day.

The indictment details other threatening letters that were mailed to investment companies and individuals associated with them since May 2005. One letter was postmarked on May 23, 2005, in Chicago, one was postmarked September 7, 2005, in Palatine, Ill., a suburb northwest of Chicago, and three were sent on October 25, 2005 in Milwaukee. The letters contained threats of violence and bodily injury, including death and kidnaping, if the price of 3Com stock was not manipulated to reach \$6.66 by October 31, 2005. One of the October 25 mailings contained a photograph of the return addressee's residence, stating: "DO YOU KNOW WHO LIVES HERE? I DO" and "REMBER COMS 6.66 10/31/2005". At the time of the mailing, the return addressee was a former administrative assistant at the investment company that employed the executive to whom the letter was addressed.

On March 13, 2006, four letters were postmarked in Des Moines, Iowa, according to the indictment. One letter was addressed to the chief executive officer of Navarre, commanding that the executive increase the company's stock price to \$6.66 within 60 days by disseminating materially false information that the executive was "taking the company private." The other three letters were addressed to investment company executives and allegedly demanded that they begin purchasing stock of Navarre and increase the share price to \$6.66 by May 1, 2006. Those same three investment firm executives and two other individuals with different firms received additional threatening letters that were postmarked in Palatine on June 9, 2006. Three more threatening letters were postmarked on July 17, 2006 in Orlando, Florida, the indictment states.

The government is being represented by Assistant U.S. Attorney Mark E. Schneider.

If convicted, using a destructive device during another violent crime carries a maximum penalty of life in prison and a mandatory minimum sentence of 30 years in prison, which must be imposed consecutively to any additional term of imprisonment. Securities fraud carries a maximum

penalty of 20 years in prison and a \$5 million fine on each count, and each count of mailing a threatening communication with intent to extort carries a maximum sentence of 20 years in prison and possession of an unregistered destructive device carries a maximum of 10 years in prison, and each count carries a maximum fine of \$250,000. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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