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PRESS RELEASE

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THREE ALBUQUERQUE MEN INDICTED ON FEDERAL WIRE FRAUD AND MONEY LAUNDERING CHARGES

ALBUQUERQUE – Albuquerque residents **Wayne Brian Church, Jr.**, 26, **Rodney Chavez**, 46, and **Joshua G. Ellis**, 42, have been charged with wire fraud and money laundering charges in a 22-count indictment that generally alleges that the three men defrauded investors in a real estate venture of more than $800,000.

The indictment was unsealed on February 22, 2012 after Special Agents of the IRS Criminal Investigation Division arrested Church and Chavez. Ellis, who is believed to be in Mexico, has yet to be arrested. Church and Chavez were arraigned in federal court in Albuquerque yesterday and entered not guilty pleas to the charges in the indictment.

During yesterday's hearing, a federal magistrate judge ordered Church detained pending trial based on findings that Church poses a risk of flight and a danger to the community. The magistrate judge released Chavez to a half-way house under pretrial supervision and other conditions of release.

The indictment charges Church, Chavez and Ellis with conspiracy to commit wire fraud, and alleges six substantive wire fraud charges. It further alleges that Church, Chavez and Ellis conspired to launder the proceeds generated by their fraudulent activities, and alleges 15 substantive money laundering charges. The indictment also seeks forfeiture of the proceeds of the defendants' alleged unlawful activities.

The wire fraud conspiracy charge (Count 1) and each of the six wire fraud charges (Counts 2 through 6) each carry a maximum of 30 year of imprisonment and $1 million fine on conviction. The money laundering conspiracy charge (Count 7) and 13 of the money laundering charges (Counts 8 through 20) each carry a maximum penalty of 20 years of imprisonment and a $500,000 fine. Two of the money laundering charges (Counts 21 and 22) each carry a maximum penalty of ten years of imprisonment and a $250,000 fine.

According to the indictment, between June 2004 and July 2008, at least 30 individuals invested in Puerto Peñasco Getaway, LLC (PPG), an entity established to purchase real estate interests, including houses, apartments and condominiums, in Puerto Peñasco, Mexico. PPG's founder allegedly represented that investors would receive regular interest payments generated by PPG's rental income while the real estate holding increased in value. Based on the promise of regular interest payments and the eventual return of their investments, many of the investors invested their retirement accounts and life savings in PPG. In 2010, the founder of PPG allegedly ceased to communicate with the investors after it became apparent that PPG was in trouble and had not paid investment income to the investors for some time.

The indictment alleges, in and about March 2010, after the investors realized that they would not be able to recoup the full amount of their original investments, some of the investors agreed to sell some of PPG properties to Church with the understanding that they would receive a return of 30% of their original investments. The indictment alleges that, despite his stated intention to sell the PPG properties and distribute the agreed amount to the investors, Church never intended to honor that agreement. Instead, Church allegedly conspired with Chavez and Ellis to defraud the investors by selling the PPG properties and retaining the proceeds for themselves.

While falsely assuring investors of their efforts to sell the PPG properties on their behalf, Church, Chavez and Ellis allegedly hired real estate agents to sell the properties. The indictment alleges that, between October 2010 and April 2011, Church, Chavez and Ellis succeeded in selling six pieces of real estate held by PPG, the sales of which generated approximately $847,370.52 in proceeds. After the proceeds were wire-transferred to a bank in Albuquerque, Church, Chavez and Ellis did not distribute the proceeds to the investors. Instead, the defendants allegedly distributed the proceeds amongst themselves and conspired to conceal the source of the proceeds by transferring the money to bank accounts held in the names of businesses exclusively controlled by the defendants. The indictment alleges that none of the proceeds from the sale of PPG properties was returned to the investors.

The case was investigated by the IRS, Criminal Investigations, and is being prosecuted by Assistant U.S. Attorney John C. Anderson.

Charges in indictments are only accusations. All criminal defendants are presumed innocent unless proven guilty beyond a reasonable doubt.

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