



PRESS RELEASE

CONTACT: Elizabeth M. Martinez
Executive Assistant U.S. Attorney
Public Affairs Officer
elizabeth.martinez@usdoj.gov
505.224.1469

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**FORMER INSURANCE SALESMAN PLEADS GUILTY TO
AIDING THE FILING OF FALSE INCOME TAX RETURN**

ALBUQUERQUE – This morning in Albuquerque federal court, **Michael Craig Celenze**, 68, a former Albuquerque resident currently residing in Odessa, Texas, entered a guilty plea to aiding and abetting the filing of a false document under a plea agreement with the U.S. Attorney's Office. U.S. Attorney Kenneth J. Gonzales said that Celenze pled guilty to Count 8 of a 13-count indictment that was filed on Oct. 14, 2010, and charged Celenze with three counts of mail fraud, four counts of wire fraud, and six counts of assisting in the preparation of false income tax returns.

The indictment alleged that Celenze held seminars around the United States in which he marketed the ownership of fractional shares in properties located in Puerto Peñasco, Mexico, as tax-free investments with large returns. Celenze's seminars generally targeted older investors with established retirement funds and Celenze required a minimum \$50,000 investment from each investor. Celenze collected monies from investors and falsely represented to investors that their investment was part of an Allianz Life Insurance retirement program. At the time, Celenze was, in fact, affiliated with Allianz as an insurance salesman, but he was not authorized to collect any rollover funds on behalf of Allianz. Celenze allegedly devised a scheme to provide false information to financial institutions to transfer investors' retirement accounts into an account that Celenze controlled.

In his plea agreement, Celenze admitted initiating a business venture in 2004 that sought to make a profit through the purchase of property in Puerto Peñasco, Mexico, and actively solicited investors in a limited liability corporation, Puerto Peñasco Getaway LCC (PPG), from 2004 through 2006. Celenze admitted that he falsely represented to investors that PPG was a qualified rollover vehicle, which permitted the investors to withdraw funds from their 401K and other retirement accounts without having to pay taxes on those funds. At the time, Celenze knew that PPG was not a qualified rollover vehicle and that funds withdrawn from retirement accounts would give rise to tax liability. Celenze also admitted that he assisted investors in making similar misrepresentations regarding the status of PPG as a qualified rollover vehicle to the financial institutions that served as custodians of the investors' retirement accounts. He did so knowing that the investors would file false returns, which failed to declare as taxable income the funds withdrawn from the retirement accounts, with the Internal Revenue Service.

The plea agreement requires Celenze to pay \$380,863.17 to the Crime Victim's Fund of the United States Treasury, which represents the total tax loss caused by Celenze's unlawful conduct plus applicable interest. Under the terms of the plea agreement, the remaining 12 counts of the indictment will be dismissed after Celenze is sentenced.

At sentencing, Celenze faces up to three years of imprisonment and a \$100,000 fine. Celenze remains on conditions of release and under pretrial supervision pending his sentencing hearing, which has yet to be scheduled.

The case was investigated by the Internal Revenue Service, Criminal Investigation, and is being prosecuted by Assistant U.S. Attorney John C. Anderson.

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