

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

'06 APR 11 P5:14

UNITED STATES OF AMERICA

Plaintiff,

v.

Case No. 05-CR-311
[Title 18 U.S.C. §§ 2, 1341, 1343, 1344
and 1956(h) and Title 26 U.S.C. § 7201]

RONALD A. MISERENDINO,
BORIS ALEXEEV, aka Boris Alexeen, and
WANDA CZERWINSKI,

Defendants.

SUPERSEDING INDICTMENT

Common Allegations in Support of Counts One through Eight and Ten

THE GRAND JURY CHARGES:

1. Beginning in approximately January, 2001, and continuing thereafter until approximately April, 2002, in the State and Eastern District of Wisconsin, and elsewhere, including the State of Hawaii,

RONALD A. MISERENDINO

devised and carried out a scheme to defraud and to obtain money by means of material false and fraudulent pretenses and representations (the "scheme"), which scheme is more fully described below.

2. Through his scheme, Miserendino sought to defraud his then-wife and his business, the Trace Corporation. Miserendino also sought to defraud and obtain money by means of material false and fraudulent pretenses and representations from Firststar Bank (“Firststar”), which is now known as U.S. Bank, the deposits of which were insured by the Federal Deposit Insurance Corporation (“FDIC”).

3. For purposes of executing his scheme, Miserendino used and caused the use of the United States mail, commercial interstate carriers, and interstate wire communications, as described below.

Background

4. At all times relevant up to at least January, 2001, Miserendino lived in River Hills, Wisconsin. In 2001, Miserendino moved to the State of Hawaii.

5. In the early 1970s, Miserendino formed Trace Corporation (“Trace”), which was a Wisconsin corporation primarily engaged in the business of renting and developing real estate. Up until at least January, 2001, Miserendino was the president and 100% owner of Trace. As of January, 2001, the assets of Trace included a multi-unit apartment complex known as Estabrook Homes, located in Shorewood, Wisconsin, and ten U.S. Treasury bonds having a face value of \$10 million.

6. In 1995, Miserendino formed Trace Maui Corporation (“Trace Maui”), which was incorporated in the State of Hawaii. Trace was the 100% owner of Trace Maui. As of January 1, 2001, the assets of Trace Maui included three pieces of real estate on the island

of Maui. In approximately 1999, Trace Maui built a residence on one of the pieces of real estate. The other two lots remained vacant.

7. On June 18, 1979, Miserendino was married in Milwaukee, Wisconsin. On January 31, 2001, Miserendino's wife filed a Petition for Divorce in Milwaukee County Circuit Court. In connection with the divorce, Miserendino's wife sought a division of the couple's property, including the assets of Miserendino's businesses.

8. Mark V. Miserendino ("Mark") was Miserendino's adult son from a previous marriage. Sometime in 2001, Miserendino signed documents making Mark the president and owner of 49% of the stock of Trace.

The Scheme

9. Miserendino's scheme to defraud and to obtain money by means of material false and fraudulent pretenses and representations was essentially as follows:

- a. During the pendency of his divorce, Miserendino engaged in a series of financial transactions to convert the assets of Trace and Trace Maui to his own benefit and to the benefit of third parties and to deprive his wife of access to and the benefit of these assets.
- b. Miserendino converted the proceeds from the sale and liquidation of corporate assets to cash.
- c. Miserendino did not report as income a substantial portion of the money he obtained from his conversion of corporate assets on his 2001 federal income tax return.
- d. Miserendino misrepresented his ownership interest in, position with, and financial obligation to Trace.

- e. In February, 2001, Miserendino obtained a \$4.5 million loan from Firststar in the name of Trace. Miserendino represented to Firststar that the loan would be used by Trace in connection with attempting to purchase an apartment complex. At the same time, Miserendino requested a \$500,000 advance on Trace's line of credit at the bank. Miserendino pledged the U.S. Treasury bonds owned by Trace to secure these loans.
- f. At Miserendino's direction, Firststar disbursed the proceeds from these loans in the form of five bank checks, each in the amount of \$1 million, payable to Miserendino personally.
- g. Beginning in August, 2001, Miserendino sent Mark three of the Firststar checks. At Miserendino's direction, Mark exchanged these \$1 million checks for smaller cashier's checks payable to Miserendino. Mark then sent the cashier's checks to Miserendino in Hawaii by commercial interstate carrier. These checks were deposited to bank accounts maintained by Miserendino in Hawaii and later withdrawn in cash.
- h. In July, 2001, and at Miserendino's direction, Mark liquidated the Treasury bonds owned by Trace. These bonds had been pledged to Firststar to secure various loans, including the loan and advance obtained by Miserendino in February, 2001. The liquidation of Trace's bonds generated net proceeds, after paying Trace's obligations at Firststar, of approximately \$2,360,000.
- i. At Mark's direction, Firststar disbursed the net proceeds in the form of cashier's checks, half of which were payable to Miserendino and half of which were payable to Mark. Mark sent the cashier's checks payable to Miserendino, which totaled approximately \$1,180,000, to Miserendino in Hawaii by overnight commercial carrier. Miserendino converted these checks to cash at various banks in Hawaii.
- j. At Miserendino's direction, Mark converted the cashier's checks payable to him, which also totaled approximately \$1,180,000, into cash. Mark later delivered the cash to Miserendino.
- k. On September 12, 2001, Miserendino sold one of the vacant lots belonging to Trace Maui. Miserendino received approximately \$203,500 from this sale and deposited it to a bank account he had

opened in the name of Trace Maui. Miserendino then wired approximately \$101,000 from these proceeds to a bank account maintained by Mark at Firststar. Miserendino withdrew the balance of the sale proceeds in cash.

1. In November, 2001, Miserendino transferred the two remaining pieces of real estate owned by Trace Maui to his then-girlfriend for \$10 each. The vacant lot was then sold. The proceeds from this sale, which totaled approximately \$190,300, were deposited to the Trace Maui account and then withdrawn by Miserendino in cash.

10. As a result of his scheme, Miserendino fraudulently converted to his own benefit, and to the benefit of others, assets belonging to Trace and Trace Maui totaling in excess \$5 million.

COUNT ONE
(Bank fraud: 18 U.S.C. § 1344)

THE GRAND JURY FURTHER CHARGES:

11. On or about February 22, 2001, in the State and Eastern District of Wisconsin, and elsewhere,

RONALD A. MISERENDINO

executed his scheme, which included a scheme to obtain money from Firststar by means of material false and fraudulent pretenses and representations, in that Miserendino applied for a loan on behalf of Trace in the amount of \$4.5 million. To obtain this loan, Miserendino falsely represented to Firststar that he was still the president of Trace and that the purpose of the loan was “to facilitate bidding on the purchase of an apartment complex.” In fact, Miserendino was no longer the president of Trace and he converted the proceeds of this loan to his personal benefit and the benefit of others.

All in violation of Title 18, United States Code, Section 1344.

COUNTS TWO through SEVEN
(Mail fraud: 18 U.S.C. § 1341)

THE GRAND JURY FURTHER CHARGES:

12. On or about the indicated dates, in the State and Eastern District of Wisconsin, and elsewhere,

RONALD A. MISERENDINO,

for the purpose of executing his scheme and attempting to do so, caused the described items to be delivered by U.S. mail and commercial interstate carrier:

<u>Count</u>	<u>Date</u>	<u>Description of item</u>
Two	July 19, 2001	Cashier's checks totaling \$450,000 payable to Miserendino that Miserendino caused his son Mark to send from Milwaukee to Miserendino in Hawaii.
Three	July 24, 2001	Cashier's checks totaling approximately \$423,000 payable to Miserendino that Miserendino caused his son Mark to send from Milwaukee to Miserendino in Hawaii.
Four	July 26, 2001	Cashier's checks totaling approximately \$306,000 payable to Miserendino that Miserendino caused his son Mark to send from Milwaukee to Miserendino in Hawaii.
Five	August 13, 2001	Cashier's checks totaling \$1,000,000 payable to Miserendino that Miserendino caused his son Mark to send from Milwaukee to Miserendino in Hawaii.
Six	September 25, 2001	Cashier's checks totaling \$1,000,000 payable to Miserendino that Miserendino caused his son Mark to send from Milwaukee to Miserendino in Hawaii.
Seven	October 31, 2001	Cashier's checks totaling \$1,000,000 payable to Miserendino that Miserendino caused his son Mark to send from Milwaukee to Miserendino in Hawaii.

All in violation of Title 18, United States Code, Sections 2 and 1341.

COUNT EIGHT
(Wire fraud: 18 U.S.C. § 1343)

THE GRAND JURY FURTHER CHARGES:

13. On or about September 19, 2001, in the State and Eastern District of Wisconsin, and elsewhere,

RONALD A. MISERENDINO,

for the purpose of carrying out his scheme and attempting to do so, transmitted in interstate commerce a wire communication from Hawaii to Milwaukee, Wisconsin, in that Miserendino wired approximately \$101,750 from the proceeds from his sale of a lot belonging to Trace Maui from Hawaii to a bank account maintained by his son Mark at Firststar Bank in Milwaukee.

All in violation of Title 18, United States Code, Sections 2 and 1343.

COUNT NINE

(Tax evasion: 26 U.S.C. § 7201)

THE GRAND JURY FURTHER CHARGES:

14. On or about April 15, 2002, in the State and Eastern District of Wisconsin, and elsewhere, including the State of Hawaii,

RONALD A. MISERENDINO

did willfully and knowingly attempt to evade and defeat a large part of the income tax due and owing by him to the United States of America for the calendar year 2001, by preparing a false and fraudulent 2001 U.S. Individual Income Tax Return, Form 1040, which return Miserendino electronically filed with the Internal Revenue Service, wherein it was stated that he had taxable income for said calendar year of \$4,312,599 and that the amount of tax due and owing thereon was the sum of \$1,672,248, whereas, as Miserendino then and there well knew and believed, his taxable income for 2001 was substantially in excess of the amount stated and that upon this additional taxable income there was a substantial additional tax due and owing to the United States of America, and by the following affirmative acts:

- a. Miserendino obtained a \$4.5 million loan from Firststar in the name of Trace Corporation ("Trace"). Miserendino directed Firststar to disburse the proceeds from this loan to him personally.
- b. Miserendino obtained a \$500,000 advance on Trace's line of credit at Firststar. Miserendino again directed Firststar to disburse the proceeds from this advance to him personally.

- c. Miserendino directed his son to convert the loan proceeds checks issued by Firststar into cashier's checks payable to Miserendino. Miserendino converted these cashier's checks to cash.
- d. Miserendino converted to his own benefit, and the benefit of others, proceeds from the liquidation of ten U.S. Treasury bonds owned by Trace. To facilitate and conceal his conversion, Miserendino, and others acting at Miserendino's direction, converted these proceeds to cash.
- e. Miserendino transferred real estate owned by Trace Maui to a nominee and then sold and attempted to sell the property.
- f. Miserendino converted to his own benefit, and to the benefit of others, the proceeds from the sale of real estate owned by Trace Maui. To facilitate and conceal his conversion, Miserendino converted the sale proceeds to cash.

All in violation of Title 26, United States Code, Section 7201.

COUNT TEN

(Money laundering conspiracy: 18 U.S.C. § 1956(h))

THE GRAND JURY FURTHER CHARGES:

15. The allegations contained in paragraphs 1 through 13 of this indictment are incorporated in support of this charge as if set forth fully here.

16. During the period from November 2004 through approximately April 6, 2006, in the State and Eastern District of Wisconsin, and elsewhere, including the State of Oregon and Australia,

**RONALD A. MISERENDINO,
BORIS ALEXEEV, who also is known as Boris Alexeen, and
WANDA CZERWINSKI**

knowingly conspired among and between themselves to commit violations of Title 18, United States Code, Sections 1956 and 1957, which is commonly referred to as money laundering. Specifically, Miserendino, Alexeev and Czerwinski conspired to commit the following offenses:

- a. Knowing that the money involved in financial transactions represented the proceeds of some form of unlawful activity, to conduct financial transactions involving the proceeds of specified unlawful activity, namely, proceeds from mail, wire and bank fraud, as charged in Counts One through Eight of this indictment, knowing that the transactions were designed, at least in part, (1) to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and (2) to avoid federal currency transaction reports, in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and (ii); and
- b. Knowingly to engage in monetary transactions in criminally derived property of a value greater than \$10,000, which property was, in fact,

derived from specified unlawful activity, namely proceeds from mail, wire and bank fraud as charged in Counts One through Eight of this indictment, in violation of Title 18, United States Code, Section 1957(a).

17. The goal of the conspiracy was to conceal and disguise the nature and location of the proceeds of Miserendino's scheme ("proceeds"), as charged in Counts One through Eight of the indictment, and to allow Miserendino to spend and otherwise use the proceeds, including transferring proceeds to Alexeev and Czerwinski, who concealed, disbursed and transferred the funds.

18. Miserendino transported and transferred proceeds to Australia. To accomplish this, Miserendino traveled from the United States to Australia on at least six occasions during 2002 and 2003. While in Australia, Miserendino opened safe deposit boxes at various banks.

19. In November and December 2004, Alexeev traveled from Portland, Oregon, to Australia on at least three occasions. When Alexeev returned to the United States on these trips, he brought back a total of approximately \$1.9 million in cash, which was proceeds from Miserendino's scheme.

20. During the period from December 2004 through March 2006, Alexeev and Czerwinski deposited cash proceeds from Miserendino's scheme into various bank accounts they maintained in Oregon and Hawaii.

21. In April 2005, Alexeev and Czerwinski used approximately \$145,000 of the proceeds from Miserendino's fraud, which they had previously deposited to their bank

accounts in cash, to purchase a residence at 11143 NW Ridgeview Place, North Plains, Oregon.

22. In December 2005, Alexeev used approximately \$41,000 of the proceeds from Miserendino's fraud, which had been previously deposited to Alexeev's bank account in cash, to purchase a 2006 Chevrolet Tahoe.

23. In December 2005, Alexeev opened a new bank account and deposited \$100,000 in cash into the account. This money was used to fund a check in the amount of \$100,000, which was dated December 27, 2005 and payable to the law firm representing Miserendino.

24. On December 28, 2005, Alexeev traveled to Milwaukee and testified at a hearing involving Miserendino. During this hearing, Alexeev testified that he had never given Miserendino any significant amount of money and that Miserendino had never given him or Czerwinski more than \$500.

25. On December 29, 2005, Czerwinski used approximately \$55,000 of the proceeds from Miserendino's fraud, which she previously had deposited to her bank account in cash, to pay off the mortgage on the residence she and Alexeev maintained in North Plains, Oregon.

26. In March 2006, Alexeev deposited another \$100,000 in cash into his bank account. This money was used to fund a check in the amount of \$100,000, which was dated March 22, 2006, and payable to the law firm representing Miserendino.

27. During the period from November 2004 through March 2006, Alexeev purchased a series of certificates of deposit (“CDs”) using proceeds from Miserendino’s scheme. These transactions culminated in Alexeev’s purchase of a CD in the amount of \$100,000 on March 17, 2006.

28. Alexeev and Czerwinski structured cash deposits to their bank accounts to avoid federal currency reporting requirements.

29. In November 2005, Alexeev obtained a credit card for Miserendino on an account maintained by Alexeev’s mother.

All in violation of Title 18, United States Code, Section 1956(h).

FIRST FORFEITURE NOTICE
(Counts One - Eight: Miserendino)

30. Upon conviction of one or more of the federal offenses alleged in Counts One through Eight of this Indictment, defendant Miserendino shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982, Title 21, United States Code, Section 853, and Title 28, United States Code, Section 2461(c), including cross-references, any property constituting, derived from, or traceable to any proceeds obtained directly or indirectly as a result of the offenses, including but not limited to the following:

- a. A sum of money equal to the amount of proceeds Miserendino obtained as a result of the offenses; and
- b. Any and all real or other property (or such portion thereof) constituting or derived from any proceeds that Miserendino obtained directly or indirectly as a result of these offenses, including, but not limited to, the following:
 - i. \$1,707.83 in currency and coin seized from Miserendino's person at the time of his arrest in the State of Oregon on November 11, 2005.
 - ii. \$60,000 in currency seized on December 7, 2005, from safe deposit box number 601 at a branch of First California Bank located in Westlake Village, California.
 - iii. \$270,000 in currency seized on December 6, 2005, from safe deposit box number 01308 at a branch of Rabobank, which was formerly known as Valley Independence Bank, located in Palm Springs, California.
 - iv. \$300,000 in currency seized on December 5, 2005, from safe deposit box number 210 at a branch of UMPQUA Bank located in Beaverton, Oregon.

- v. \$270,000 in currency seized on December 5, 2005, from safe deposit box number 40150 at a branch of Wells Fargo Bank located in Las Vegas, Nevada.
- vi. \$120,000 in currency seized on December 6, 2005, from safe deposit box number 161 at a branch of Bank of America, located in Phoenix, Arizona.
- vii. \$150,000 in currency seized on December 6, 2005, from safe deposit box number 5017 at a branch of Evergreen Bank, located in Lynnwood, Washington.
- viii. All funds in account number 2322641 at First California Bank, Westlake Village, California.
- ix. All funds in account number 0013120900 at Rabobank, which was formerly known as Valley Independence Bank, Palm Springs, California.
- x. All funds in account number 320005556 at UMPQUA Bank, Beaverton, Oregon.
- xi. All funds in account number 0046-5940-7513 at Bank of America, Phoenix, Arizona.
- xii. All funds in account number 021-001634-1 at Evergreen Bank, located in Lynnwood, Washington.
- xiii. Certain real property commonly known as 11143 NW Ridgeview Place, North Plains, Oregon.
- xiv. One 2006 Chevrolet Tahoe K1500, tan in color, bearing vehicle identification number 1GNEK13T16R167085, with Oregon license plate 919CEH, registered to Boris Alexeen.
- xv. All funds in account number 004850893858 at Bank of America, Hillsboro, Oregon.
- xvi. All funds in account number 004542143476 at Bank of America, Hillsboro, Oregon.

- xvii. All funds in account number 91000068024558 at Bank of America, Hillsboro, Oregon.
- xviii. All funds in account number 008761606283 at Bank of America, Hillsboro, Oregon.
- xix. All funds in account number 16077008 at Maui County Employees Federal Credit Union, Maui, Hawaii.

31. If any of the above-described forfeitable property, as a result of any act or omission of Miserendino:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property, which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), to seek forfeiture of any other property of Miserendino's up to the value of the forfeitable property described above, including but not limited to the following:

- a. All funds in account number 273-0374663 at Wells Fargo Bank, Las Vegas, Nevada.

SECOND FORFEITURE NOTICE

(Count Ten: Miserendino, Alexeev and Czerwinski)

32. Upon conviction of the federal offense alleged in Count Ten, conspiracy to commit money laundering, in violation of Title 18, United States Code, Section 1956(h), defendants Miserendino, Alexeev and Czerwinski shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1) and Title 21, United States Code, Section 853, including cross-references, any property real or personal, involved in such offense and any property traceable to such property:

- a. A sum of money equal to the total amount of money involved in the offense. If more than one defendant is convicted of the offense, the defendants so convicted are jointly and severally liable for the amount involved in such offense; and
- b. Any and all real or other property (or such portion thereof) constituting property involved in the offense charged in Count Ten (conspiracy to commit money laundering) or any property traceable to such property, including, but not limited to, the following:
 - i. Certain real property commonly known as 11143 NW Ridgeview Place, North Plains, Oregon.
 - ii. One 2006 Chevrolet Tahoe K1500, tan in color, bearing vehicle identification number 1GNEK13T16R167085, with Oregon license plate 919CEH, registered to Boris Alexeen.
 - iii. All funds in account number 004850893858 at Bank of America, Hillsboro, Oregon.
 - iv. All funds in account number 004542143476 at Bank of America, Hillsboro, Oregon.
 - v. All funds in account number 91000068024558 at Bank of America, Hillsboro, Oregon.


- vi. All funds in account number 008761606283 at Bank of America, Hillsboro, Oregon.
- vii. All funds in account number 16077008 at Maui County Employees Federal Credit Union, Maui, Hawaii.

33. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property, which cannot be divided without difficulty;


it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property belonging to the defendants up to the value of the forfeitable property described above.

A TRUE BILL:



Foreperson

4/11/06
Date


STEVEN M. BISKUPIC
United States Attorney

Name of Defendant: Boris Alexeev, a/k/a Boris Alexeen		Address: City, State and Zip Code): North Plains, Oregon		
Date of Birth: 1960		Occupation: Unknown		
Name of Defendant's Attorney: Steve Ungar (503) 788-2064		Address of Defendant's Attorney: 601SW Second Avenue, Suite 2100 Portland, Oregon 97204-3158		
Name of U.S. Attorney: Matthew L. Jacobs				
Has warrant been issued?		When?	By Whom?	When?
Yes		April 5, 2006	PJG	
Has warrant been executed?		When?	Where?	
Yes		April 6, 2006	Oregon	
Has defendant appeared before a Magistrate?		When?	Who?	
Yes		Portland, Oregon		
Is the defendant in custody?		Where?		
No, released on bond.				
Pretrial Scheduling Conference Necessary? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
Issue: WARRANT	SUMMONS	NOTICE XX	MISDEMEANOR	FELONY XX
Milwaukee Case <input checked="" type="checkbox"/>		Green Bay Case <input type="checkbox"/>		
Minor Offense				
Petty Offense				
Arraignment & plea before:		Judge:	Magistrate:	

(The above information to be furnished in duplicate (1 copy for file and 1 copy for Marshal with 2 conformed copies of indictment and/or information of defendant))

THE ABOVE INFORMATION TO BE FURNISHED IF KNOWN

Charge: **18 U.S.C. § 1956(h) (conspiracy to commit money laundering). Maximum penalties: 20 years imprisonment and \$500,000 fine or twice the value of the property involved in the transactions.**

Agency/Agent: **IRS, S/A Dean Costello**

OCDEF: **No**

Name of Defendant: Wanda Czerwinski		Address: City, State and Zip Code): North Plains, Oregon		
Date of Birth: 1956		Occupation: Unknown		
Name of Defendant's Attorney: Steve Ungar (503) 788-2064		Address of Defendant's Attorney: 601SW Second Avenue, Suite 2100 Portland, OR 97204-3158		
Name of U.S. Attorney: Matthew L. Jacobs				
Has warrant been issued?		When?	By Whom?	When?
Yes		April 5, 2006	PJG	
Has warrant been executed?		When?	Where?	
Yes		April 6, 2006	Oregon	
Has defendant appeared before a Magistrate?		When?	Who?	
Yes		Portland, Oregon		
Is the defendant in custody?		Where?		
No, released on bond.				
Pretrial Scheduling Conference Necessary? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
Issue: WARRANT	SUMMONS XX	NOTICE	MISDEMEANOR	FELONY XX
Milwaukee Case <input checked="" type="checkbox"/>		Green Bay Case <input type="checkbox"/>		
Minor Offense				
Petty Offense				
Arraignment & plea before:		Judge:	Magistrate:	

(The above information to be furnished in duplicate (1 copy for file and 1 copy for Marshal with 2 conformed copies of indictment and/or information of defendant))

THE ABOVE INFORMATION TO BE FURNISHED IF KNOWN

Charge: **18 U.S.C. § 1956(h) (conspiracy to commit money laundering). Maximum penalties: 20 years imprisonment and \$500,000 fine or twice the value of the property involved in the transactions.**

Agency/Agent: **IRS, S/A Dean Costello**

OCDETF: **No**