

News Release

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Gregory A. White, United States Attorney for the Northern District of Ohio, announced today that Kathy Davie, age 45, formerly of Shaker Heights, Ohio, was sentenced by U.S. District Judge John R. Adams in Akron, Ohio, to 63 months of imprisonment, followed by 3 years of supervised release. Davie was also ordered to pay restitution in the approximate amount of \$300,000.00, and a special assessment in the amount of \$1,600.00 to the Crime Victims' Fund.

Davie earlier pleaded guilty and testified against co-defendant and co-conspirator Rhonda Turpin in Turpin's three week trial held in September 2006. Turpin was found guilty on numerous criminal charges and sentenced to 188 months imprisonment in January 2007. Both Davie and Turpin were convicted on criminal charges which included conspiracy, identity theft, bank fraud, making, uttering and possessing counterfeit and forged securities, possession of implements used to produce counterfeit securities and false identification documents, and conspiracy to submit and submitting false claims (tax returns) against the United States. In announcing Davie's sentence, the Court found that Davie was an intelligent woman who had played a major role in a "substantial conspiracy," carried out with "skill."

The Court had earlier found that Turpin was the "mastermind" of the massive,

sophisticated fraud scheme, and that her conduct was “egregious.” The Court also found that Turpin had used her education, including a Master’s Degree, “solely to hone her skills” to commit fraud. The Court further found that Turpin’s likelihood of recidivism was “one of the highest, if not the highest” the Court had seen in years, and stated that Turpin had never lived in a law-abiding manner for any period of time, pointing out that she had a 28 year history of committing crimes. As a result, Judge Adams recommended to the Bureau of Prisons that Turpin be confined in a more secure facility, and that she not be permitted access to computers during her incarceration, due to the likelihood that she would continue to engage in fraudulent conduct while in prison.

Other sentences previously imposed in this case include:

Judith A. Elersic, age 46, presently incarcerated in Trumbull Correctional Institution, Levittsburg, Ohio - 41 months in prison, followed by 3 years supervised release;

Jerold Levert, age 58, of 3042 Chadbourne, Shaker Heights, Ohio - 21 months in prison, followed by 3 years supervised release;

Charles Griffin, age 43, of Cleveland, Ohio - 70 months in prison, followed by 3 years supervised release;

Danny Waddell, age 33, formerly of Chicago, Illinois - 30 months in prison, followed by 3 years supervised release;

Richard Taylor, age 44, of Cleveland, Ohio - 28 months in prison, followed by 3 years supervised release;

Johnetta Turpin, age 27, formerly of 3563 Chelton, Shaker Heights, Ohio - 3 years probation;

Candice Keene, age 35, of 608 Lyndon Avenue, Ashtabula, Ohio - 3 years probation;

Jimmie T. Dunbar, age 43, of New Orleans, Louisiana - 6 months in prison, followed by 3 years supervised release.

Each defendant was also ordered to restitution in various amounts according to their respective involvement in the conspiracy.

According to the indictment, returned by a federal grand jury in Cleveland, Ohio, on June 22, 2005, between on or about September 9, 2002, and on or about August 13, 2004, the defendants devised and engaged in a large-scale conspiracy involving the theft of personal identifier information from numerous individual victims, illegally obtaining credit reports

for the individual victims, and obtaining and/or producing counterfeit Ohio drivers licenses using the victims' names and personal information, which were, in turn, used to obtain unsecured loans, apply for credit cards, open bank accounts and negotiate stolen, counterfeit and forged checks using the individual victims' personal identifier information. Evidence presented at trial established that as a result of the identity theft conspiracy, the defendants caused total losses of more than \$225,000.00.

To facilitate the identity theft conspiracy, defendants Rhonda Turpin and Kathy Davie fraudulently obtained credit reports for the individual victims from, and with the assistance of Jerold Levert, former owner/manager of Fidelity Mortgage & Investment, Inc., of South Euclid, Ohio. Levert received between \$20 and \$50 for each fraudulent credit report obtained by Turpin and Davie. Turpin and Davie supplied Elersic, Keene, Waddell, Griffin, Taylor and Dunbar with unauthorized credit reports and counterfeit Ohio drivers licenses in the individual victims' names, and drove the other defendants to various offices of Beneficial Finance, Citi Financial, Household Finance, and American General Finance in the Northern District of Ohio, and elsewhere, to obtain the proceeds of the fraudulent loans, and split the proceeds with the individual defendant applying for the loan. Between September 2002, and June 2004, fraudulent personal loans were obtained which totaled more than \$161,000.00.

During the same time period, counterfeited or forged checks totaling \$62,106.05 were negotiated by the defendants, and the proceeds were split between Turpin, Davie and the individual defendant actually negotiating the counterfeit check. Additionally, evidence presented at trial established that on March 20, 2003, April 30, 2004, and August 13, 2004, Rhonda Turpin and Kathy Davie knowingly possessed numerous pieces of equipment and other implements designed for, or suited to be used in the production of false identification documents and counterfeit and forged checks, at their residence located at 3561-3563 Chelton, Shaker Heights, Ohio, and at 26151 Lakeshore Boulevard, Apt. 1150, Euclid, Ohio. The equipment included computers, printers, digital cameras, video cameras, Polaroid Pocket ID kits, Polaroid cameras, Polaroid photo printers, passport photos, fraudulent birth certificates, counterfeit drivers licenses, blank check paper stock, check printing computer software, stolen checks, fraudulently obtained credit reports, and stolen genuine Ohio Bureau of Motor Vehicle holograms.

The evidence presented at trial also established that between March 2001 and February 2003, Rhonda Turpin and Kathy Davie conspired to file, and did in fact file electronically with the IRS, twenty-three (23) false and fraudulent federal income tax returns for the years 2000, 2001 and 2002, using the names and Social Security account numbers of various individuals which Turpin and Davie knew were false and fraudulent, and knew that said individuals were not entitled to the claimed refunds totaling approximately \$113,796.00. Of this amount, Turpin and Davie actually obtained fraudulent refunds totaling more than \$73,000.00 from the IRS. Evidence presented at trial established that Turpin and Davie obtained names and Social Security numbers for various individuals,

some without the knowledge and consent of said individuals, and created false and fictitious Forms W-2 containing fabricated addresses, amounts of income, and income tax withholdings. Turpin and Davie submitted the false W-2 forms electronically to the IRS, attached to fraudulent income tax returns prepared by Turpin and Davie which claimed additional false dependents, exemptions, deductions and tax credits, namely refundable tax credits such as the Earned Income Tax Credit and the Child Tax Credit on said returns. Turpin and Davie directed and/or deposited the refund payments resulting from said false claims into bank accounts maintained and/or controlled by Rhonda Turpin and Kathy Davie at National City Bank, Key Bank and Fifth Third Bank.

This case was prosecuted by Assistant U.S. Attorneys Robert W. Kern and Michael Anne Johnson, following an investigation by the Cleveland Offices of the United States Secret Service, the Internal Revenue Service, Criminal Investigation Division, the U.S. Postal Inspection Service, the Ohio State Highway Patrol, and the following police departments: Mayfield Heights, Solon, Twinsburg, Beachwood, Shaker Heights, Bay Village, Euclid, and Springfield, Ohio.

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