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**WOMAN SENTENCED TO PRISON  
IN INTERNATIONAL MONEY LAUNDERING SCHEME**

SACRAMENTO--United States Attorney John K. Vincent announced today that KAROLYN GROSNICKLE, 59, of Hoodport, Washington was sentenced today to 26 months in prison, to be followed by a three year term of supervised release, in connection with an international money laundering scheme. Parole has been abolished in the federal system, and the defendant will be required by law to serve at least 85% of the prison time imposed.

The defendant pleaded guilty to a single count of money laundering on April 28, 2002, shortly before trial. Two co-defendants, WAYNE ANDERSON, 63, of Squaw Valley, California, and RICHARD MARKS, 58, formerly of Sacramento, California, were convicted on May 31, 2002, following a 14 day jury trial, of money laundering and conspiracy to commit money laundering. Sentencing of those two defendants is scheduled for November 14, 2002. The final defendant in the case, KEITH ANDERSON, 61, is in custody in Costa Rica, awaiting extradition to face charges in this case and separate tax evasion conspiracy charges that are pending in federal district court in Seattle, Washington.

KAROLYN GROSNICKLE was the chief administrative officer of Anderson's Ark & Associates, an organization based in the United States and Costa Rica, that used a network of bank accounts around the world to assist its hundreds of clients in laundering funds and engaging in tax evasion. According to Assistant U.S. Attorneys Benjamin B. Wagner and James P. Arguelles, who are prosecuting the case, GROSNICKLE in her plea agreement admitted to laundering \$60,000 in cashiers checks that were provided to her by an IRS undercover agent. The funds, which GROSNICKLE believed were being concealed from bankruptcy creditors, were routed through a bank account in Arizona to a bank account in Costa Rica. From Costa Rica, the funds were steered back to the undercover agent.

Evidence admitted at the trial showed that WAYNE ANDERSON was the second in command of Anderson's Ark & Associates, and that RICHARD MARKS was the chief accountant for the organization. During the IRS undercover operation, which lasted over two years, IRS Special Agents posing as Anderson's Ark clients laundered \$370,000 through a network of foreign and domestic bank accounts and shell entities controlled by the organization. At the trial, WAYNE ANDERSON was convicted of laundering \$100,000 in cash he received in

a parking lot in Fresno, which he believed was proceeds of a bank fraud scheme, and RICHARD MARKS was convicted of laundering \$50,000 provided to him in his office in Sacramento, which he believed was being concealed from a bankruptcy court. Both were also convicted of conspiracy to launder additional funds.

Today's sentencing of KAROLYN GROSNIKLE was the first sentence imposed on an Anderson's Ark & Associates member since the conclusion of the undercover investigations into Anderson's Ark last year. Since that time, however, a total of nine persons have been convicted in cases arising out of those federal investigations. In a related prosecution in the District of Massachusetts, MICHAEL GONET, of Stow, Massachusetts, pleaded guilty to money laundering charges on March 5, 2002, and Anderson's Ark & Associates member RICHARD L. CASTELLINI, of New Jersey, was convicted of money laundering and money laundering conspiracy charges on July 19, 2002, following a two week trial in U.S. District Court in Boston. Sentencing in that case has not yet been scheduled.

In another related case, TERRI YVONNE LEWIS, 42, and STEVEN LYLE ANDERSON, 37, both children of WAYNE ANDERSON, and residents of Squaw Valley, California, pleaded guilty on April 22, 2002, in U.S. District Court in Fresno to conspiracy to obstruct justice relating to their efforts to shred documents and delete information from a computer in order to avoid revealing information to a federal grand jury. No sentencing date is scheduled in that case.

In another related case, ROOSEVELT L. DRUMMER, 46, of Sacramento, and another man, ROY LENZ, of Washington State, both accountants, pleaded guilty in U.S. District Court in Seattle, Washington to charges of conspiring to defraud the Internal Revenue Service, in connection with their work as accountants with Anderson's Ark & Associates. The pleas were entered on October 16, 2001 and July 25, 2001, respectively, and were unsealed on April 11, 2002. No sentencing date is set.

U.S. Attorney Vincent said: "The sentence imposed today is the beginning of the end of the criminal activities of Anderson's Ark & Associates." He congratulated the agents of Internal Revenue Service, Criminal Investigations, for their effectiveness in rooting out the money laundering network through an extensive investigation.

Dwight J. Sparlin, Special Agent in Charge of IRS Criminal Investigation in Northern California, said of today's sentencing: "This sentence should send a clear message that there is a steep price to pay for those who illegally conceal funds in offshore accounts. The IRS will continue to do its job of investigating the AAA organization and others like them that engage in such activity."

RICHARD MARKS has also been indicted in the Central District of California for being a felon in possession of firearms, arising from the discovery of guns at his residence in Los Osos, California, during the execution of the search warrants. MARKS was previously convicted in 1993 of bankruptcy fraud in the U.S. District Court in Sacramento, and sentenced by U.S. District Court Judge David F. Levi to 15 months in prison.

KEITH ANDERSON was convicted of conspiracy and taking property under false pretenses, felony offenses, in the State of North Carolina, in 1990, while using the name Phillip

Barrett. He served two years in prison as a result of those convictions.

ROOSEVELT DRUMMER was previously convicted in Sacramento on federal charges of conspiracy to defraud the United States, making false statements, and securities fraud. In 1994 he was sentenced by U.S. District Court Judge Edward J. Garcia to a year in prison, a period of supervised release, and a fine.

The tax evasion charges against Keith Anderson, and the firearms charge against Richard Marks, are only allegations, and they are presumed innocent.

Additional information about tax fraud schemes to watch out for can be found on the IRS Criminal Investigation website. <<http://www.ustreas.gov/irs/ci/>>

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