

U.S. Postal Inspection Service – THIS WEEK

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A ‘Truly Evil’ Crime

NY Men Get Life Sentences in Murder-for-Hire Mail Fraud Insurance Scam

It's taken a long time to bring two "truly evil men"—as a federal judge described them—to justice, but Richard James and Ronald Mallay were sentenced to life in prison for murder and ordered to pay \$1.25 million in restitution to the insurance companies they defrauded. For six years, James and Mallay operated a murder-for-hire spree that stretched from New York to South America, taking out life insurance policies on unwary victims and then orchestrating their gruesome poisoning, beating, and shooting deaths. James, a former insurance agent who handled the policies, and Mallay, an ex-letter carrier who picked the targets and paid premiums by mail, collected more than \$1 million in insurance proceeds before New York Division Inspectors stopped their murderous scheme. At least 12 victims insured by James and Mallay died, five of them in known murders. During the investigation, James was caught on tape offering \$25,000 for a hit on a homeless alcoholic and bragging that "my targets are so easy...they sleep in the street, right on the pavement." Postal Inspectors traveled to Guyana to interview witnesses regarding deaths that occurred there, because besides the homeless, James and Mallay also targeted fellow Guyanese countrymen: Mallay's own nephew, his brother-in-law, and his girlfriend's father all were among their victims. James and Mallay—whose chilling scheme closely mimics the plot of the 1944 film noir classic "Double Indemnity," starring Fred MacMurray as a murderous insurance salesman—were arrested in 2002 and convicted in 2007. "When a plot is hatched in hell, don't expect angels for witnesses," prosecutor James McGovern commented at the time of the trial, rebutting defense attempts to disparage the testimony of cooperating witnesses who themselves potentially faced life in prison or lengthy prison terms for their roles in the killings. New York Division Team Leader Jean Wright headed the Inspection Service's murder-for-hire investigation. (And back in 1991, now-retired Inspector Robert Yost identified Mallay as the person who was rifling and stealing Express Mail at the Ansonia Post Office in New York City. As we said, convicted murderer Mallay is an ex-letter carrier, thanks to the Inspection Service.)

‘John the Dutchman’

Magic Mushrooms Won't Be Enough to Escape from This Predicament

Nicholas Albano made a big mistake when he crossed "John the Dutchman," his Netherlands-based supplier of hallucinogens. And "John" made a bigger one when he crossed the Inspection Service as he attempted to get even with Albano. When Albano failed to pay for a shipment to his home in Gainesville, GA, a year ago, "John," as he called himself, contacted DEA agents, pinpointing Albano as part of a network of individuals in the United States who were receiving hallucinogens from Holland and redistributing them via the U.S. Mail. Shortly after DEA agents alerted the Inspection Service's Atlanta

Division, Chicago Division Inspectors intercepted an Express Mail package of ketamine and psychedelic mushrooms, destined for a customer who had ordered them from Albano via a clandestine Internet chat room. In January, Albano shot himself in the head in an upstairs bathroom of his home as Inspectors executed a search warrant, gathering evidence that included a pharmacy of hallucinogenic and other illegal drugs, as well as a stock of Postal Service packing materials. Though initially in critical condition, Albano survived to be arrested on drug conspiracy charges upon his release from the hospital in February. (Child pornography charges were added in May after forensic analysis of a computer seized during the search.) Meanwhile, back in Holland, “John” was arrested last week on his way to an Amsterdam post office with a package containing 1,000 dosage units of LSD. An Inspection Service investigation had identified “John” as L’Houssain Mahdioui, and when Dutch authorities subsequently searched Mahdioui’s residence, they turned up 16,000 dosage units of LSD, other drugs, and \$70,000 in U.S. currency. Mahdioui is now awaiting extradition to Georgia to face charges of distributing LSD via the mail.

A Personal Piggybank

High-Living Couple’s Surprise Guilty Pleas in Ponzi Scheme Halt VA Trial

Darrell and Cynthia Underwood, charged with operating an \$18 million Ponzi scheme, were midway through a two-week jury trial in a Richmond, VA, federal courtroom when they surprised prosecutors by pleading guilty to mail fraud and engaging in illegal monetary transactions. The couple used a front company called Walkwood Properties, which purportedly purchased real estate. The Underwoods promised investors 50 percent returns and accepted payments via the U.S. Mail. Only about \$2 million of investors’ money was used to purchase real estate, though; most went to pay early investors and to support the Underwoods’ lavish lifestyle, including homes and a collection of cars to rival Jay Leno’s: a Dodge Viper, BMW, Mercedes, Cadillac Escalade, Infiniti, Chevy Tahoe, and Corvette—along with a Maxim power boat and other toys. Touchingly, they also used Ponzi-generated funds to pay their tithes to Mt. Gilead Full Gospel International Ministries, where they were prominent members. They’ll be sentenced in September. Underwood, Walkwood...hmmm, how fitting that Inspector Damon Wood of the Charlotte Division’s Richmond Domicile handled the case.

Right on Target

Inspection Service Works with Discount Chain’s Fraud Team to Nail ID Thief

After Target lost \$86,000 to her scheme, the company’s fraud investigators notified all of their stores across the country to be on the lookout for a woman captured on video using counterfeit credit cards to purchase iPods at Targets (and a few Wal-Marts) in eight states. Last October suspect Gintare Sakinyte—who always used fraudulent credit cards in the name of Moyassar Issa, a fugitive who was part of a group already under Secret Service investigation—tried it one time too many and found herself under arrest in a Colorado Springs, CO, Target. Investigators believed Sakinyte was using the

mail to further her scheme (in addition to working with gas station attendants in Chicago and New Jersey who were skimming patrons' credit cards), so the Inspection Service led a multi-agency effort probing Sakinyte's cross-country iPod shopping spree. Now she has pled guilty to identity theft and is being held without bond until her mid-August sentencing, when she faces up to 10 years in federal prison. "This investigation is a positive example of how the Postal Inspection Service partners effectively with investigators in the private sector to combat identity theft," says Shawn Tiller, Inspector in Charge of the Denver Division.

Happy Ending

Inspector McMinn Honored for Helping Recover Missing Child in Arizona

Program Manager Molly McMinn is winning accolades from every direction, most recently from Postmaster General John E. Potter, for her efforts to locate missing children. Last month, Inspector McMinn—on detail to the National Center for Missing and Exploited Children (NCMEC)—worked with postal employees in Tombstone, AZ, to reunite a nine-year-old North Carolina boy, missing since February, with his father. After NCMEC research suggested that the child's non-custodial parent may have been living in the Tombstone area, Inspector McMinn contacted the Tombstone Post Office to check the address of the boy's mother. Three postal employees there (Tony Palma, Nikki Camp, and James Pantoja) assisted her in verifying that the mother was living at an RV park in the area with the abducted child. "They even printed out the 'missing' poster and showed it to the park manager, who verified which site they were using," McMinn reports. Recovered a week later, the little boy is now back home in North Carolina. Inspector McMinn is responsible for handling all evidence that law enforcement agencies submit under NCMEC's Child Victim Identification Program, processing more than 750 image requests in the past three months alone. She also coordinates activities related to the *Deliver Me Home* program—a partnership of NCMEC, the Inspection Service, and the Postal Service—which produces and distributes Missing Child flyers and serves as the primary contact between NCMEC and Postal Inspectors throughout the country.

A Sad, Sordid Silence

Deaf Nudist's Indiana Residence Turns Up Child Pornography Videos

Deaf and unable to communicate via sign language, 61-year-old Charles R. Drury lives an insular life in a New Castle, IN, retirement community (when he's not participating in the nudist club with which he has been affiliated for 33 years). Drury does not own a computer and he relies solely on handwriting to communicate, but that's all he needed to order nearly 100 videos from Insider Video Club, which offers child erotica and child pornography via the mail. After a national undercover operation identified Drury, Detroit Division Postal Inspectors and members of the Indiana Internet Crimes Against Children Task Force executed a federal search warrant at Drury's home, where they seized numerous child pornography videos. Drury acknowledges ordering them, but denies ever having physical contact with a minor. "Drury said he was sexually abused when he was 12 years old at a school for the deaf and ever since he

has been ashamed,” reports Inspector Thomas Henderson of the Detroit Division’s Indianapolis, IN, Domicile. The Inspection Service is the lead agency in the case.

Listen Up!

Straight from the Chief:

The indictment and arrest of four suspects for using Express Mail to send methamphetamine has disrupted a drug trafficking ring operating between California and Kentucky, and the case is an excellent example of results achieved through cooperation among divisions. Inspector Karen O’Neill of the Pittsburgh Division’s Cincinnati, OH, Domicile and Inspector Loren Rofe of the Los Angeles Division’s La Alameda Domicile worked together to bring about the arrests of two recipients in Kentucky and two mailers in California. Well-earned congratulations to both of them.

Worth Reading:

South Florida Caribbean News: [Stanford Executives, Antiquan Bank Regulator Indicted for Fraud and Corruption](#)

St. Louis Post-Dispatch: [Man Charged in Life Insurance Scheme](#)

CNNMoney: [The Death of the Corner Pharmacy](#)

Post Com: [HR 22: Subcommittee Recommends USPS 3-Year Relief for Health Benefits Payments](#)

The Seattle Times: [Apple Lauds "Postage" Application for iPhone](#)

Government Executive: [House Resuscitates FERS Sick Leave Fix](#)

U.S. Postal Inspection Service Public Web Site: [Inspectors in the News](#)

Comments? E-mail us at update@uspis.gov

Got a question for the Chief Postal Inspector? E-mail him at CPI@uspis.gov