

Department of Justice
U.S. Attorney's Office
District of New Jersey

FOR IMMEDIATE RELEASE

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Member Of Lucchese Organized Crime Family Sentenced To 30 Years In Prison For Racketeering And Other Crimes

Three Conspirators to be Sentenced This Week

CAMDEN, N.J. – A member of the Lucchese organized crime family of La Cosa Nostra (LCN) was sentenced today to 30 years in prison for participating in a racketeering conspiracy and related offenses. Three other members of the conspiracy are scheduled to be sentenced later this week.

U.S. Attorney Paul J. Fishman of the District New Jersey and Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division and made the announcement.

Nicodemo S. Scarfo, 50, of Galloway, New Jersey was sentenced today by U.S. District Judge Robert B. Kugler to 360 months in prison. Scarfo was convicted in July 2014, along with Salvatore Pelullo, 48, of Philadelphia, an associate of the Philadelphia and Lucchese LCN families; William Maxwell, 56, of Houston, a Texas attorney; and John Maxwell, 63, of Dallas, of racketeering conspiracy and related offenses, including securities fraud, wire fraud, mail fraud, bank fraud, extortion, money laundering and obstruction of justice, after a six-month trial before Judge Kugler in Camden federal court.

“Scarfo and his crew gave new meaning to the term ‘corporate takeover,’ pushing out the legitimate leadership of a publicly traded company and then looting it,” U.S. Attorney Fishman said. “They used false SEC filings, phony consulting agreements and more traditional mob methods to steal \$12 million from the company’s shareholders. That’s a risk that investors should never have to take.”

“Nicodemo Scarfo and his associates tried to take La Cosa Nostra corporate, using traditional, strong-arm mob tactics to take over a publicly traded company and loot it like a personal piggy bank,” Assistant Attorney General Caldwell said. “The Justice Department will fight organized crime wherever it may surface – from back alleys to public board rooms – to ensure that crime does not pay.”

According to documents filed in this case and the evidence presented at trial:

Since 1989, Scarfo has been a member of the Lucchese family. As a member, he was required to earn money and participate in the affairs of the Lucchese family.

In April 2007, Scarfo, Pelullo and others conspired to take control of FirstPlus Financial Group Inc. (FPFG), a publicly held company in Texas, by using threats of economic harm to intimidate and remove FPFG's management and board of directors, and to replace them with people beholden to Scarfo and Pelullo, including the Maxwell brothers. Once the takeover had occurred, FPFG's new board of directors named William Maxwell as "special counsel" to FPFG and John Maxwell as the company's CEO, positions that they used to funnel \$12 million to themselves, Scarfo and Pelullo through fraudulent legal services and consulting agreements. Scarfo and Pelullo used their illicit gains to fund extravagant purchases, including an \$850,000 yacht, a luxury home, a Bentley automobile and thousands of dollars in jewelry.

The indictment also named as conspirators Scarfo's father, Nicodemo D. Scarfo, or Scarfo Sr., the imprisoned former boss of the Philadelphia LCN family; and Vittorio Amuso, the imprisoned boss of the Lucchese LCN family. Five other defendants – Cory Leshner, Howard Drossner, John Parisi, Todd Stark and Scarfo's wife, Lisa Murray-Scarfo – previously pleaded guilty to various charges related to their roles in the conspiracy.

In addition to the prison term, Judge Kugler sentenced Scarfo to five years of supervised release and ordered him to forfeit his interest in certain properties and to pay restitution of \$14 million. Pelullo, William Maxwell and John Maxwell are scheduled to be sentenced later this week.

U.S. Attorney Fishman and Assistant Attorney General Caldwell credited special agents of the FBI in Newark, under the direction of Special Agent in Charge Richard M. Frankel, with the investigation leading to today's sentencing. They also thanked the U.S. Department of Labor-Office of Inspector General's Office of Labor Racketeering and Fraud Investigations New York Region, the FBI's Philadelphia Division and the Bureau of Alcohol, Tobacco, Firearms and Explosives for their roles in the case.

The government is represented by Assistant U.S. Attorneys Steven D'Aguanno and Howard Wiener of the District of New Jersey and Trial Attorney Adam L. Small of the Criminal Division's Organized Crime and Gang Section.

Defense counsel: Michael E. Riley Esq., Mount Holly, New Jersey

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