

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	Crim. No. 14-300 _____ - _____
)	
	)	<u>VIOLATIONS</u>
)	
v.	)	Title 18, United States Code, Section 1006 –
	)	Receipt Of Money Through Transactions
	)	Of A Credit Union With Intent To Defraud
	)	(Count 1 through 4)
MICHAEL DICENZO,)	
	)	Title 26, United States Code, Section
Defendant.	)	7206(1) -
	)	Tax Fraud
Defendant.	)	(Counts 5 through 8)
)	
	)	Title 18, United States Code, Section
	)	1001(a)(2) –
	)	False Statements To Federal Officials
	)	(Count 9)
)	
	)	Title 18, United States Code, Section 982 –
	)	Forfeiture Allegations
)	

INFORMATION

The United States Attorney charges:

Parties, Persons And Entities

At all times relevant to this information:

1. MICHAEL DICENZO (“Ditzenzo”), defendant herein, was an individual residing in Pittsfield, Massachusetts.
2. From September 20, 2004 through September 11, 2009, Dizenzo was employed as a commercial loan officer for Greylock Federal Credit Union (“GFCU”).

3. GFCU was a federal credit union headquartered in Pittsfield, with more than a dozen branch offices in and around Berkshire County, Massachusetts. GFCU's accounts were insured by the National Credit Union Administration Board.

4. Businessman I was a Pittsfield area businessman who owned and operated the following construction and real estate development companies, each of which had loan accounts at GFCU that Diconzo supervised:

- a. Company A;
- b. Company B;
- c. Company C;
- d. Company D; and
- e. Company E.

5. According to GFCU policy, Diconzo could only authorize loans of up to \$300,000 without any other approvals, and needed the approval of his supervisor, the senior vice president of business banking, to authorize loans of up to \$700,000. On March 18, 2009, GFCU implemented changes to these lending authority levels, requiring Diconzo to obtain the approval of his supervisor for any commercial loan.

6. In addition, GFCU's loan aggregation policy provided that such approval limits were based on the "existing aggregate member business loan commitments," so that any two or more loans to a credit union member (such as Businessman I and his companies) had to be added together. Further, modifications to a loan that changed the loan amounts were subject to the approval limits. Lastly, GFCU required loan applicants to provide detailed financial information, such as balance sheets, profit and loss statements, and tax returns.

7. Between March 1, 2005 and September 5, 2008, Diczno authorized various loans and loan modifications to Businessman 1 and his companies in knowing and intentional violation of GFCU's loan approval, loan aggregation, loan modification, and documentation policies. By circumventing GFCU's policies, Diczno provided Businessman 1 and his companies with funds far in excess of what Businessman 1 and his companies could reasonably receive or repay.

8. In exchange for improperly authorizing these loans, Diczno received from Businessman 1 various money, profit, property, and benefits, including check payments from Businessman 1's companies that derived from GFCU loan funds, the free use of a home constructed by one of Businessman 1's companies with a GFCU loan, and the free use of a BMW automobile purchased by one of Businessman 1's companies with a GFCU loan.

9. On the following dates, Diczno authorized the following loans to Businessman 1 or his entities:

Date	No.	Recipient	Loan	Amount	Modification
03-21-05	1032	Businessman 1	5-year Adjustable Rate Mortgage	\$154,200	--
11-29-05	1070	Businessman 1	Home Improvement	\$9,152	--
03-23-06	1640	Company A	Single Advanced Adj. Rate	\$48,000	\$220,000
06-30-06	1601	Company A	Term Fixed	\$33,650	--
08-14-06	1600	Company B	Passenger Auto	\$47,666	--
09-07-06	1661	Company B	Adjustable Rate Mortgage	\$158,400	--
09-19-08					\$116,600
11-25-08					\$ 85,000

Date	No.	Recipient	Loan	Amount	Modification
10-04-06	1316	Company B	Letter of Credit	\$200,000	\$0
04-30-07	21				\$ 50,000
07-17-07					\$ 50,000
11-13-07					\$100,000
05-29-08					\$ 75,000
10-31-06	4716	Company A	Letter of Credit	\$200,000	--
	21				
02-20-07	4687	Company C	Adjustable Rate Mortgage	\$110,000	--
12-10-07					\$100,000
01-07-08					\$ 90,000
02-20-07	2385	Company B	Adjustable Rate Mortgage	\$240,000	--
02-23-07	6676	Company C	Letter of Credit	\$175,000	--
07-17-07					\$75,000
09-12-07					\$50,000
01-04-09					\$75,000
04-09-07	0387	Company D	Fixed Rate Mortgage	\$130,000	--
09-20-07					\$278,000
03-21-08					\$ 92,000

Date	No.	Recipient	Loan	Amount	Modification
04-11-07	2536	Company E	Letter of Credit	\$100,000	--
07-17-07					\$100,000
09-17-07					\$ 75,000
06-27-08					\$ 50,000
05-07-07	9945	Company E	Term Fixed	\$232,500	--
04-29-08					\$92,500
06-01-09					\$50,000
05-30-07	1427	Company B	Single Advanced Fixed	\$75,000	--
03-14-08					\$50,000
01-27-09					\$50,000
03-16-09					\$62,000
05-30-07	3230	Company D	Letter of Credit	\$300,000	--
04-08-09					\$50,000
09-07-07	7697	Company C	Term Fixed	\$31,800	--
11-05-07	7036	Company E	Passenger Auto	\$44,300	--
03-27-08	1523	Company C	Used Auto	\$30,900	--
09-05-08	7862	Businessman I	Recreational	\$17,422	--

10. Dicenzo also supervised GFCU accounts for the Pittsfield chapter of a social and service organization called Organization 1 and another local social and service organization called Organization 2.

11. On or about October 6, 2006, Dizenzo opened a GFCU checking account in the name of CAD Home Design ("CAD").

12. From October 10, 2006 through approximately March 20, 2009, Dizenzo deposited approximately \$134,773 into the CAD account in checks from various businesses operated by Businessman 1. Dizenzo misappropriated a total of \$48,058.92 from Organization 1 and Organization 2, including by depositing into the CAD account the following: Organization 1 checks payable to CAD, checks payable to Organization 1 but diverted into the CAD account, and internet banking transfers from the Organization 2 account.

13. On or about May 30, 2007, at Dizenzo's request, Businessman 1 wrote two \$7,500 checks to CAD:

a. Check No. 1006 from Company E's business checking account numbered x-745 at GFCU. Dizenzo deposited this check into the CAD account on or about May 31, 2007. This payment related to Company E's Loan No. 9945 in the amount of \$232,500, which was issued on May 7, 2007.

b. Check No. 295 from Company B's business checking account numbered x-131 at GFCU. Dizenzo deposited this check into the CAD account on or about June 1, 2007. This payment related to Company B's Loan No. 1427 in the amount of \$75,000, which was issued on May 30, 2007.

14. On or about September 17, 2007, at Dizenzo's request, Businessman 1 wrote two \$15,000 checks to CAD:

a. Check No. 1014 from Company E's business checking account numbered x-745 at GFCU. Dizenzo deposited this check into the CAD account on or about

September 19, 2007. This payment related to the modification of Company E's Letter of Credit No. 2356 in the amount of \$75,000, which was issued on September 17, 2007.

b. Check No. 1033 from Company C's business checking account numbered x-745 at GFCU. Diczno deposited this check into the CAD account on or about September 19, 2007. This payment related to the modification of Company C's Letter of Credit No. 6676 in the amount of \$50,000, which was issued on September 12, 2007.

15. Between on or about April 14, 2007 and on or about February 24, 2010, Diczno willfully filed with the Internal Revenue Service ("IRS") personal federal income tax returns (Forms 1040) for the tax years 2006, 2007, 2008, and 2009 which contained false and fraudulent Schedules C (Profit Or Loss From Business) for CAD, in that he intentionally did not report the monies from Organization 1, Organization 2, and Businessman 1's companies that he deposited into the CAD account.

16. On or about March 26, 2010, Special Agents of the IRS - Criminal Investigation interviewed Diczno, who falsely stated:

- a. The loans that he authorized for Businessman 1 were properly collateralized;
- b. He authorized Businessman's 1 loans to help small companies stay in business to benefit the community;
- c. He rented property from Businessman 1 in the amount of \$2,000 per month; and

d. Businessman 1 wrote him checks to CAD for work that his wife was doing on Businessman 1's newly constructed homes.

COUNTS ONE THROUGH FOUR: 18 U.S.C. § 1006 –**Receipt of Money Through Transactions Of A Credit Union With Intent To Defraud**

The United States Attorney further charges that:

17. The allegations contained in paragraphs 1 through 16 are realleged and incorporated herein.

18. On or about the following dates, in the District of Massachusetts and elsewhere,

MICHAEL DICENZO,

defendant herein, being an officer, agent, and employee of, and connected with GFCU, which was a lending, mortgage, insurance, credit and savings and loan corporation and association authorized and acting under the laws of the United States, the accounts of which were insured by the National Credit Union Administration Board, with intent to defraud GFCU, did participate, share in, and receive directly and indirectly, the following money, profit, property, and benefits through the following transaction, loan, commission, contract, and other act of GFCU:

Count	Date	Transaction	Loan(s)
One	05/31/2007	Deposit into the CAD account of Check No. 1006 in the amount of \$7,500 from Company A's business checking account numbered x-745 at GFCU	Company E's Loan No. 9945 in the amount of \$232,500, which was issued on May 7, 2007
Two	06/01/2007	Deposit into the CAD account of Check No. 295 in the amount of \$7,500 from Company B's business checking account numbered x-131 at GFCU	Company B's Loan No. 1427 in the amount of \$75,000, which was issued on May 30, 2007

Count	Date	Transaction	Loan(s)
Three	09/19/2007	Deposit into the CAD account of Check No. 1014 in the amount of \$15,000 from Company E's business checking account numbered x-745 at GFCU	Modification of Company E's Letter of Credit No. 2356 in the amount of \$75,000, which was issued on September 17, 2007
Four	09/19/2007	Deposit into the CAD account of Check No. 1033 in the amount of \$15,000 from Company C's business checking account numbered x-745 at GFCU	Modification of Company C's Letter of Credit No. 6676 in the amount of \$50,000, which was issued on September 12, 2007

All in violation of Title 18, United States Code, Section 1006.

COUNT FIVE THROUGH EIGHT: 26 U.S.C. § 7206(1) - Tax Fraud

The United States Attorney further charges that:

19. The allegations contained in paragraphs 1 through 16 are realleged and incorporated herein. .

20. On or about the following dates, in the District of Massachusetts and elsewhere,

MICHAEL DICENZO,

defendant herein, a resident of Pittsfield, Massachusetts, did willfully make and subscribe the following returns, which contained and were verified by a written declaration that each was made under the penalties of perjury, which were prepared and signed in the District of Massachusetts and were filed with the Internal Revenue Service, and which he did not believe to be true and correct as to every material matter, to wit, each of the returns contained a Schedule C (Profit Or Loss From Business) for CAD that falsely and fraudulently omitted payments that were received by CAD from Organization 1, Organization 2, and Businessman 1 and his companies:

Count	Date	Return
Five	04/14/2007	Form 1040, 2006
Six	04/13/2008	Form 1040, 2007
Seven	04/04/2009	Form 1040, 2008
Eight	02/24/2010	Form 1040, 2009

All in violation of Title 26, United States Code, Sections 7206(1).

COUNT NINE: 18 U.S.C. § 1001(a)(2) – False Statements To Federal Officials

The United States Attorney further charges that:

21. The allegations contained in paragraphs 1 through 16 are realleged and incorporated herein.

22. On or about March 26, 2010, in the District of Massachusetts and elsewhere,

MICHAEL DICENZO,

defendant herein, a resident of Pittsfield, Massachusetts, did knowingly and willfully make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the Government of the United States, to wit, **MICHAEL DICENZO** stated to Special Agents of the IRS-Criminal Investigation that:

- a. the loans that he authorized for Businessman I were properly collateralized;
- b. he authorized Businessman 1's loans to help small companies stay in business to benefit the community;
- c. he rented property from Businessman 1 in the amount of \$2,000 per month; and
- d. Businessman I wrote him checks to CAD for work that his wife was doing on Businessman 1's newly constructed homes.

All in violation of Title 18, United States Code, Section 1001(a)(2).

FORFEITURE ALLEGATIONS

(18 U.S.C. § 982(a)(2))

The United States Attorney further charges that:

1. Upon conviction of one or more of the offenses alleged in Counts One through Four of this Information, the defendant,

MICHAEL DICENZO

shall forfeit to the United States of America pursuant to 18 U.S.C. § 982(a)(2)(A), all property constituting, or derived from, proceeds the person obtained directly or indirectly, as the result of such violations.

2. If any of the property described in Paragraph 1 above as a result of any act or omission of the defendant –

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of this 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 intention of the United States, pursuant to 18 U.S.C. § 982(b)(1), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of the defendant up to the value of the property described in paragraph 1 above.

All pursuant to Title 18, United States Code, Section 982(a)(2).

CARMEN M. ORTIZ
United States Attorney

By: */s/ Steven H. Breslow*
STEVEN H. BRESLOW
Assistant U.S. Attorney

Dated: June 17, 2014

Criminal Case Cover Sheet

U.S. District Court - District of Massachusetts

Place of Offense: _____ Category No. III Investigating Agency IRS-CI

City Pittsfield, MA

Related Case Information:

County Berkshire

Superseding Ind./ Inf. -- Case No. --
Same Defendant - New Defendant -
Magistrate Judge Case Number --
Search Warrant Case Number --
R 20/R 40 from District of --

Defendant Information:

Defendant Name Michael Dizenzo Juvenile: Yes No

Is this person an attorney and/or a member of any state/federal bar: Yes No

Alias Name N.A.

Address (City & State) Pittsfield, MA

Birth date (Yr only): 1953 SSN (last4#): 4601 Sex M Race: White Nationality: USA

Defense Counsel if known: Alan Black, Esq. Address 30 Pleasant Street, Suite 3

Bar Number --- Northampton, MA 01060

U.S. Attorney Information:

AUSA Steven H. Breslow Bar Number if applicable N.A.

Interpreter: Yes No List language and/or dialect: N.A.

Victims: Yes No If yes, are there multiple crime victims under 18 USC§3771(d)(2) Yes No

Matter to be SEALED: Yes No

Warrant Requested Regular Process In Custody

Location Status:

Arrest Date N.A.

Already in Federal Custody as of --- in ---

Already in State Custody at --- Serving Sentence Awaiting Trial

On Pretrial Release: Ordered by: --- on ---

Charging Document: Complaint Information Indictment

Total # of Counts: Petty Misdemeanor Felony 9

Continue on Page 2 for Entry of U.S.C. Citations

I hereby certify that the case numbers of any prior proceedings before a Magistrate Judge are accurately set forth above.

Date: June 16, 2014

Signature of AUSA: [Handwritten Signature]

District Court Case Number (To be filled in by deputy clerk): _____

Name of Defendant Michael Dicenzo

U.S.C. Citations

	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count Numbers</u>
Set 1	<u>18 USC 1006</u>	<u>Receipt Of Money Through Transactions Of A Credit Union With Intent To Defraud The Credit Union</u>	<u>1-4</u>
Set 2	<u>26 USC 7206(1)</u>	<u>Tax Fraud</u>	<u>5-8</u>
Set 3	<u>18 USC 1001(a)(2)</u>	<u>False Statements To Federal Officials</u>	<u>9</u>
Set 4	<u>18 USC 982</u>	<u>Criminal Forfeiture Allegations</u>	<u>---</u>
Set 5	<u>---</u>	<u>---</u>	<u>---</u>
Set 6	_____	_____	_____
Set 7	_____	_____	_____
Set 8	_____	_____	_____
Set 9	_____	_____	_____
Set 10	_____	_____	_____
Set 11	_____	_____	_____
Set 12	_____	_____	_____
Set 13	_____	_____	_____
Set 14	_____	_____	_____
Set 15	_____	_____	_____

ADDITIONAL INFORMATION: _____