

Executives Of Panamanian Corporation And Aviation Company Plead Guilty In Multi Million Dollar Money Laundering Sting

The Defendants Conspired to Launder \$2,600,000 in Stock Fraud Proceeds

BROOKLYN, N.Y. – Earlier today, Michael J. Dodd and James Robert Shipman, Jr. pleaded guilty to charges that they conspired to launder more than two million dollars, which they believed to be proceeds of a penny stock fraud scheme. The money was, in fact, provided to the defendants by an undercover law enforcement agent who posed as a criminal stock promoter as part of an FBI sting operation. A third defendant, Kenneth Landgaard, pleaded guilty to the same charges on January 15, 2016. Defendants Landgaard and Shipman were arrested after flying to an airport in New York on a private jet to take possession of \$2,200,000 in cash, which they had agreed to launder through banks in Panama and Belize. Dodd was arrested a few hours later at a Manhattan restaurant where he had expected to meet with the undercover agent. Prior to their arrests, the defendants had already laundered \$400,000 in cash previously provided by the undercover agent.

The guilty pleas were announced by Robert L. Capers, United States Attorney for the Eastern District of New York.

“The defendants agreed to transport millions of dollars represented to be stock fraud proceeds on private jets to Panama and then engage in a series of financial transactions designed to conceal the illegal source of the funds. They did so with the intention of lining their own pockets without regard for the law,” stated United States Attorney Capers. “We are committed to stopping the laundering of money through offshore safe havens and prosecuting those who would abuse the financial markets to enrich themselves.” Mr. Capers thanked the Federal Bureau of Investigation (FBI), the Internal Revenue Service, Criminal Investigation (IRS-CI) and the U.S. Immigration and Customs Enforcement’s (ICE), Homeland Security Investigations (HSI) for their hard work and dedication through the course of the investigation and prosecution.

In his dealings with the defendants, the undercover agent represented himself to be a middleman working with corrupt stock brokers who artificially inflated prices for worthless stocks in exchange for high commissions. Despite being made aware this, the defendants agreed to launder \$2,600,000 in exchange for a 13% to 15% fee. Immediately prior to their arrest, Landgaard and Shipman accepted \$2,200,000 from the undercover agent, which they believed to be proceeds from the penny stock fraud. In conversations which were recorded by the FBI, the defendants explained in detail the measures they took to avoid detection of their money laundering scheme by law enforcement – Dodd insisted that the undercover agent download and use encryption software for online chats and voice communications, Landgaard insisted that the cash be provided in expensive Louis Vuitton duffel bags, and Shipman explained their reasoning, “You know why they do that? Because cops can’t get the

authority to buy a Louis Vuitton bag, it's too expensive” Landgaard and Shipman also insisted that the undercover agent buy a “throwaway” or “burner” phone on which to speak to them about the scheme.

The guilty pleas took place before United States District Judge John Gleeson at the United States Courthouse in Brooklyn, New York. When sentenced, the defendants each face a maximum sentence of 20 years' imprisonment.

The government's case is being prosecuted by the Office's Business and Securities Fraud Section. Assistant United States Attorney Jack Dennehy is in charge of the prosecution. Assistant United States Attorneys Brian Morris and Karin Orenstein of the Office's Civil Division are responsible for the forfeiture of assets.