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Federal Inmate who Orchestrated Stolen Check Scheme from Prison Sentenced to Another 9+ Years in Multi-Million Dollar Fraud Case

Postal Worker who Stole Warrants Issued by L.A. County also Pleads Guilty

LOS ANGELES – A former Las Vegas resident who was incarcerated in the federal prison in Victorville while he oversaw a scheme to obtain and cash stolen checks has been sentenced to another 110 months in prison for conspiring to commit bank fraud.

Kingsley Osemwengie, 30, was sentenced Monday by United States District Judge R. Gary Klausner for orchestrating a fraud ring that attempted to negotiate millions of dollars in Los Angeles County warrants – which are essentially checks issued by the municipality – that had been stolen by a corrupt postal employee.

The corrupt postal employee – Sabrina Pittman, 44, a resident of Watts – pleaded guilty on Monday before Judge Klausner to conspiring to commit bank fraud.

Osemwengie pleaded guilty in November in relation to an indictment that also charged his brother, Nelson Osemwengie, and two other defendants. The other three defendants have pleaded guilty and are pending sentencing before Judge Klausner.

Members of the conspiracy recruited dozens of bank customers who were willing to provide their ATM cards and access to their accounts in exchange for a share of the proceeds. The warrants were altered to change the name of payees to the names of the recruited account holders. The warrants were deposited into the bank accounts, and members of the conspiracy withdrew as much money as they could before the banks learned the warrants had been fraudulently deposited.

When Osemwengie pleaded guilty, he specifically admitted that a stolen Los Angeles County warrant for \$729,340 was deposited into an account at Bank of America in 2014. Other federally-insured financial institutions that suffered losses included Chase Bank, Navy Federal Credit Union and Wells Fargo Bank.

"This scheme sought to victimize county taxpayers and banks insured by the United States," said United States Attorney Eileen M. Decker. "This crime warranted extending the term of imprisonment by more than nine years."

The court found that Osemwengie's scheme attempted to cause losses of more than \$1.5 million, which represents the face value of the checks that were fraudulently deposited. However, authorities are continuing to assemble information related to losses in this case. Judge Klausner scheduled a restitution hearing for April 11, at which time he will determine the victims' actual losses, and Osemwengie will be ordered to repay victims.

The investigation in this case also revealed that co-conspirators attempted to use a drone to smuggle a cell phone into the prison yard at the Federal Correctional Institute in Victorville. The attempt was unsuccessful.

While incarcerated at FCI Victorville, Osemwengie was serving a 17½-year sentence for trafficking in prescription narcotics.

Pittman is scheduled to be sentenced by Judge Klausner on May 9.

The bank fraud case against Osemwengie was investigated by the United States Postal Inspection Service. The Henderson (Nevada) Police Department, the Los Angeles Office of County Investigations, the United States Bureau of Prisons and the U.S. Postal Service's Office of Inspector General provided substantial assistance.

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