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**SACRAMENTO BAIL BONDS OPERATOR AND MANAGER
INDICTED FOR FEDERAL CRIMES AND IDENTITY THEFT SCHEMES**

SACRAMENTO--United States Attorney McGregor W. Scott announced today that DONALD THOMAS MALONE, 50, of Sacramento, was indicted by a federal grand jury on February 11, 2004. The Indictment was sealed until this morning to avoid the flight of MALONE and his co-conspirators. MALONE was arrested on February 20, 2004 at an apartment in Sacramento around 1:30 p.m. without incident. MALONE was arraigned on the Indictment today at 2:00 p.m. before U.S. Magistrate Court Judge Dale A. Drozd, and pled not guilty. MALONE is scheduled to be in court again on February 25 at 2:00 p.m. for a detention hearing.

MALONE is charged with conspiracy to possess stolen U.S. Mail, conspiracy to exchange a stolen U.S. Treasury check valued at \$3,851,566.82, conspiracy to commit fraud with stolen identification information, unlawful use of means of identification of another, conspiracy to secure a false U.S. Passport and false representation of a Social Security Account Number, among other federal offenses. MALONE is alleged to have received and possessed stolen U.S. Mail, and the stolen U.S. Treasury check at his business location, formerly Fast Break Bail Bonds at 918 J Street, Sacramento, California. As charged, MALONE faces a maximum of up to 80 years imprisonment, \$2,500,000 fine, and restitution.

The case is the product of an joint investigation undertaken by the Federal Bureau of Investigation, the U.S. Secret Service, and the Sacramento County High Tech Crimes Task Force.

In the February 11, 2004 Indictment, CHRISTOPHER MALEEK JORDAN, and APACHE BEAUTAE are also charged with conspiracy to commit fraud with stolen identification information, and unlawful use of means of identification of another. JORDAN and BEAUTAE, as charged, each face a maximum of up to 35 years imprisonment, \$750,000 fine, and restitution. JORDAN and BEAUTAE are at large.

According to Assistant U.S. Attorney Michelle Rodriguez, who is prosecuting the case, there are 10 related matters. These defendants have already been charged and convicted in federal district court.

1. On July 18, 2003, before U.S. District Court Judge Garland E. Burrell, Jr., Jeffrey

Michael Malone, DONALD THOMAS MALONE's oldest son, was convicted of misprision of a felony, a federal offense stemming from his knowledge that his father was in possession of the stolen U.S. Treasury check valued at \$3,851,566.82, and that his father was conspiring to exchange the check. Jeffrey Michael Malone has agreed to cooperate with the United States and to testify regarding his father's conduct.

2. On July 18, 2003, also before U.S. District Court Judge Garland E. Burrell, Jr., Leederson McGhee II, formerly a court clerk with the Los Angeles County Superior Court, was convicted of conspiracy to commit fraud with stolen identification information. Before Judge Burrell, McGhee admitted to providing identification information from Los Angeles County Superior Court databases for unlawful use and fraud. McGhee was also convicted of misprision of a felony for his knowledge of the conspirators' possession of the stolen U.S. Treasury check valued at \$3,851,566.82, and the scheme to exchange the check. McGhee has agreed to cooperate with the United States.
3. On July 18, 2003, also before U.S. District Court Judge Garland E. Burrell, Jr., Victor Felix Soto, was convicted of conspiracy to possess stolen U.S. Mail. Soto admitted to stealing U.S. Mail in San Diego, California, in furtherance of a scheme to cash financial instruments in the U.S. Mail in Sacramento, California and elsewhere. Among the items Soto admitted to stealing and providing to associates in the Sacramento County area was the U.S. Treasury check valued at \$3,851,566.82. Soto admitted his knowledge of the financial instruments, and that they were going to bail bond operators who had the ability to exchange the checks. Soto has agreed to cooperate with the United States.
4. On July 25, 2003, also before U.S. District Court Judge Garland E. Burrell, Jr., Alan Alexander Stenson, was convicted of misprision of a felony for his knowledge of the conspirators' possession of the stolen U.S. Treasury check valued at \$3,851,566.82, and the scheme to exchange the check. Stenson admitted to Judge Burrell that he attended a meeting in Sacramento, California where associates and agents of DONALD THOMAS MALONE discussed plans to exchange the stolen U.S. Treasury check. Stenson has agreed to cooperate with the United States.
5. On July 25, 2003, also before U.S. District Court Judge Garland E. Burrell, Jr., Arnold Rasalid Hailassie, was convicted for his role in the conspiracy to exchange the stolen U.S. Treasury check valued at \$3,851,566.82, and for his role in attempting to launder the proceeds of check. Hailassie admitted to Judge Burrell that he met with DONALD THOMAS MALONE, conducted and attended meetings in Sacramento, California where associates and agents of DONALD THOMAS MALONE discussed plans to exchange the stolen U.S. Treasury check. And, as a mortgage broker, Hailassie planned to help launder the proceeds of the check. In addition, Hailassie was convicted of an unrelated conspiracy to commit fraud with stolen identification information. Hailassie has agreed to cooperate with the United States.
6. On September 26, 2003, also before U.S. District Court Judge Garland E. Burrell, Jr., Jose Anthony Puglisi, was convicted for his role in the conspiracy to exchange the stolen U.S. Treasury check valued at \$3,851,566.82, and for his role in possessing the stolen U.S. Mail, including the check, and transferring such to DONALD THOMAS MALONE.

Puglisi has agreed to cooperate with the United States.

7. On October 10, 2003, also before U.S. District Court Judge Garland E. Burrell, Jr., Linda Marie Kelly, was convicted for her role in the conspiracy to exchange the stolen U.S. Treasury check valued at \$3,851,566.82, and for her role in attempting to obtain the proceeds of the check through a fraudulent Charles Schwab account. In addition, Kelly was convicted of an unrelated conspiracy to commit fraud with stolen identification information. Kelly has agreed to cooperate with the United States.
8. On July 10, 2003, before U.S. District Court Judge Edward J. Garcia, Brian Everett Malone (the brother of DONALD THOMAS MALONE), was convicted of escape from federal custody, credit application fraud, and possession of an unauthorized access device. Malone was charged in connection with an unrelated scheme to create and then negotiate for cash, counterfeit checks at financial institutions. The checks were created with and through the assistance of Malone's associates and often with resources of Malone's place of employment, Fast Break Bail Bonds, 918 J Street, Sacramento, California. In addition, Brian Everett Malone was convicted of misprision of a felony for his knowledge of DONALD THOMAS MALONE's possession of the stolen U.S. Treasury check valued at \$3,851,566.82, and his brother's scheme to exchange the check with the assistance of others. Brian Everett Malone, who was also a manager of the bail bonds business operated by DONALD THOMAS MALONE, has agreed to cooperate with the United States.
9. On July 28, 2003, also before U.S. District Court Judge Edward J. Garcia, George Robert Barnes (an associate of Fast Break Bail Bonds), was convicted of two counts of bank fraud. Barnes admitted he worked at Fast Break Bail Bonds, and admitted his knowledge and participation in bank fraud schemes with Brian Everett Malone. Barnes has agreed to cooperate with the United States.
10. On October 27, 2003, also before U.S. District Court Judge Edward J. Garcia, Ronald Wayne Stewart (an associate of George Robert Barnes), was convicted of bank fraud, and making a false statement to federal agents.

The United States Attorney's Office notes that the indictment on file contains only accusations, and that defendants DONALD THOMAS MALONE, CHRISTOPHER MALEEK JORDAN, and APACHE BEAUTAE are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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