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Western District of Wisconsin

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HAYWARD MAN SENTENCED TO 7 YEARS IN FEDERAL PRISON FOR ARSON AND MAIL FRAUD

Madison, Wis. - Stephen P. Sinnott, United States Attorney for the Western District of Wisconsin, announced that Phillip Lathrop, 40, Hayward, Wis., was sentenced on January 6, 2010, by U.S. District Judge Barbara B. Crabb to seven years in prison for arson and mail fraud.

On March 2, 2009, after a three-day trial, the jury found Lathrop guilty of one count of arson, and four counts of mail fraud. Judge Crabb sentenced Lathrop to seven years on all five counts, with the sentences to run concurrently. Lathrop was also ordered to pay restitution of \$253,089.59, and to serve a three-year term of supervised release after his release from federal prison.

At trial, the government presented evidence that Lathrop owned and operated a bar called Player's Sports Bar & Grill, located at W566 US Hwy 63, Hayward. Lathrop insured Player's with Capitol Indemnity Corporation. Lathrop's policy with Capitol Indemnity was effective from August 17, 2002 through August 17, 2003, 12:01 a.m. CST. The bar was set on fire on August 16, 2003, at approximately 4:00 a.m.

The government established at trial that Lathrop hired Dave Maki to burn down Player's. Lathrop promised to pay Maki \$5,000 cash and cocaine. After receiving notice on August 11, 2003, from Capitol Indemnity that his insurance premium would increase significantly effective August 17, 2003, Lathrop instructed Maki: (1) to break into Player's on August 16, 2003, about one-half hour after bar closing time; (2) after breaking into the bar, to take the VCR tape out of the video surveillance system and destroy the tape; (3) to break into the coin-operated video gaming machines and steal the money to make it look like a burglary/arson; and (4) to take some tiki torches from the outdoor patio and place the torches in the attic above the main bar next to a box of clothing stored in the attic, set the box of clothing on fire, and push the burning box of clothes next to the wall to start the roof on fire. Maki testified that he followed Lathrop's instructions and set the bar on fire on August 16, 2003, at 4:00 a.m.

The government also established that Lathrop instructed other individuals, including Maki, to tell the police and the State Fire Marshal that a person other than Lathrop set the bar on fire. On September 23, 2003, Lathrop mailed a "Sworn Statement in Proof of Loss" to Capitol Indemnity falsely indicating that Lathrop did not cause the fire damage to Player's on August 16, 2003, and requesting that Capitol Indemnity pay Lathrop \$314,519.35 in insurance proceeds. As a result of the false insurance claim from Lathrop, Capitol Indemnity paid a total of \$253,038.39 to Lathrop. The insurance checks were mailed from Capitol Indemnity's office in Madison.

After the jury verdict, Lathrop filed a motion for a new trial alleging his defense attorney provided ineffective assistance of counsel. After a two-day evidentiary hearing in November 2008, Judge Crabb found that Lathrop's allegations did not have any merit and denied his motion for a new trial.

At Wednesday's sentencing, Judge Crabb told Lathrop that he was not an innocent man, nor a victim. She noted that the jury's verdict was both reliable and accurate. She also found that the verdict was bolstered by the fact that Lathrop made numerous false statements under oath at the November 2008 evidentiary hearing. Finally, Judge Crabb explained that Lathrop's seven-year sentence reflected the fact that he attempted to obstruct justice by offering money to witnesses to falsely implicate someone else in the arson.

The charges against Lathrop were the result of an investigation conducted by the Washburn County Sheriff's Office; Sawyer County Sheriff's Office; and Wisconsin Department of Justice, Division of Criminal Investigation - Arson Bureau. Prosecution of the case was handled by Assistant U.S. Attorney Daniel J. Graber.

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