



# Department of Justice

United States Attorney John W. Vaudreuil  
Western District of Wisconsin

FOR IMMEDIATE RELEASE

SEPTEMBER 18, 2013

[WWW.JUSTICE.GOV/USAO/WIW](http://WWW.JUSTICE.GOV/USAO/WIW)

CONTACT: AUSA ASSIGNED TO CASE

PHONE: (608) 264-5158

TTY: (608) 264-5006

## GRAND JURY RETURNS INDICTMENTS

MADISON, WIS. -- A federal grand jury in the Western District of Wisconsin, sitting in Madison, returned the following indictments today. You are advised that a charge is merely an accusation and that a defendant is presumed innocent until and unless proven guilty.

### **MADISON MAN CHARGED WITH GUN CRIME**

James M. Kruger, 36, Madison, Wis., is charged with being a felon in possession of firearms. The indictment alleges that on September 10, 2013, Kruger possessed a .22 caliber double-barreled firearm, a loaded 9mm semi-automatic handgun, and a loaded 12 gauge shotgun. Kruger was arrested on September 10.

If convicted, Kruger faces a maximum penalty of 10 years in federal prison. The charge against him is the result of an investigation by the Grant, Iowa and Dane County Sheriffs' Departments; Bureau of Alcohol, Tobacco, Firearms and Explosives; and Cassville, Dodgeville, Fennimore and Platteville Police Departments. The prosecution of this case has been assigned to Assistant U.S. Attorney Timothy M. O'Shea.

### **GLIDDEN WOMAN CHARGED WITH FRAUD AND FILING FALSE INCOME TAX RETURNS**

Lori Hall, 49, Glidden, Wis., is charged with one count of mail fraud, one count of wire fraud, and five counts of filing false income tax returns. The indictment alleges that from January 2006 to January 2012, Hall devised and participated in a scheme to defraud her employer The Lakewoods, Inc., which operated Lakewoods Resort in Cable, Wis., and operated as a management company for Lakewoods Villages Homeowners Association (LVHA) and Forest Ridges Homeowners Association (FRHA). LVHA and FRHA were created as homeowners associations for two condominium developments built on the grounds of Lakewoods Resort. In addition, PNE Investment Company (PNE) was a holding company created by the three corporate managers of The Lakewoods, Inc., to operate and manage cabin rentals on the Lakewoods resort complex.

The indictment alleges that Hall worked at Lakewoods from November 1, 1998 to January 13, 2012, as the Chief Financial Officer. It is alleged that beginning in January 2006, Hall embezzled funds from the LVHA, FRHA, and PNE bank accounts. The indictment alleges that she presented checks for signature with incorrect invoices, that she altered the payee line on checks after they had been signed, and that she procured an unauthorized signature stamp in the name of one of the corporate managers and used it to sign checks she prepared payable to herself.

The indictment alleges that Hall used the embezzled funds for her own personal purposes, which included the funding of gambling activity and vacation trips to Mexico and the Caribbean. The indictment alleges that from 2006 to 2012, Hall embezzled more than \$702,000 from the LVHA, FRHA and PNE accounts.

Hall is also charged with filing false U.S. Individual Income Tax Returns for calendar years 2007, 2008, 2009, 2010, and 2011, which under-reported her adjusted gross income.

The indictment also seeks the forfeiture of any property constituting or derived from proceeds obtained directly or indirectly as a result of the fraud crimes alleged in the indictment.

If convicted, Hall faces a maximum penalty of 30 years in federal prison on each fraud count, and a maximum penalty of three years in federal prison on each tax count. The charges against her are the result of an investigation by IRS Criminal Investigation; the Wisconsin Department of Justice, Division of Criminal Investigation; and the Bayfield County Sheriff's Department. The prosecution of this case has been assigned to Assistant U.S. Attorney Daniel J. Graber.

### **MADISON MAN CHARGED WITH DISTRIBUTING HEROIN ON EIGHT OCCASIONS IN 2013**

Jermaine Greer, 37, Madison, Wis., is charged with eight counts of distributing heroin. The indictment alleges that he distributed heroin on eight occasions from April to August 2013.

If convicted, Greer faces a maximum penalty of 20 years in federal prison on each count. The charges against him are the result of an investigation by the Drug Enforcement Administration and Dane County Narcotics and Gang Task Force. The prosecution of this case has been assigned to Assistant U.S. Attorney David J. Reinhard.

### **MADISON MAN CHARGED WITH DISTRIBUTING HEROIN**

Marcus Moore, 30, Madison, Wis., is charged with distributing heroin. The

indictment alleges that he distributed heroin on September 12, 2013.

If convicted, Moore faces a maximum penalty of 20 years in federal prison. The charge against him is the result of an investigation by the Dane County Narcotics and Gang Task Force and Drug Enforcement Administration. The prosecution of this case has been assigned to Assistant U.S. Attorney Rita M. Rumbelow.

### **TWO CHARGED WITH ILLEGAL REENTRY INTO U.S.**

In unrelated cases, two citizens of Mexico are charged with illegally reentering the United States after previously being removed. The individuals charged are:

1. Santos Diaz-Guzman, 45, found in Beloit, Wis., on September 3, 2013; and
2. Marcelo Espana-Ariza, 42, found in Rock County, Wis., on September 11, 2013.

If convicted, they each face a maximum penalty of 20 years in federal prison. The charges against them are the result of investigations by U.S. Immigration & Customs Enforcement. The prosecution of Diaz-Guzman has been assigned to Assistant U.S. Attorney Kevin F. Burke and the prosecution of Espana-Ariza has been assigned to Assistant U.S. Attorney Paul W. Connell.

## ##