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PRESS RELEASE

SEVEN INDICTED IN "PUMP AND DUMP" STOCK SCHEMES

David C. Weiss, Acting United States Attorney for the District of Delaware, announced today the unsealing of five indictments against seven individuals as part of a two-year securities fraud investigation into the manipulation of so-called "penny stocks" traded through the over-the-counter stock markets. The fraud schemes described in the indictments all involve efforts to manipulate the prices of publicly traded stocks to create the illusion of market interest in the stocks. The goal was to induce the investing public to purchase a stock based on the artificial trading volume, and thus increase the price of the stock. The defendants then were able to sell off significant holdings in these stocks, generating millions of dollars in proceeds. Such a scheme is known colloquially as a "pump and dump."

Joining Acting U.S. Attorney Weiss in this announcement were John Kelleghan, Special Agent in Charge of the ICE Office of Investigations in Philadelphia; Don Fort, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation, Philadelphia office; and Colonel Thomas Mac Leish, Superintendent of the Delaware State Police. The investigation was conducted in coordination with the Securities and Exchange Commission, who today also announced the filing of a related civil complaint in the United States District Court for the District of Delaware.

The five indictments were unsealed late yesterday, following arrests in Ft. Lauderdale, Florida, and Los Angeles, and Orange County, California.¹ The seven defendants named in the indictments are:

- Pawel Dynkowski, age 24, formerly of Newark, Delaware;
- Joseph Mangiapane, Jr., age 43, of Laguna Niguel, California;
- Marc Riviello, age 50, of Atherton, California;
- Matthew W. Brown, age 26, of Aliso Viejo, California;
- Jacob Canceli, age 50, of Mission Viejo, California;
- Gerard D'Amaro, age 38, of Lighthouse Point, Florida; and
- Angelo R. "Bill" Panetta, age 48, of Montebello, California.

The companies whose stocks the defendants are charged with manipulating and conspiring to manipulate include GH3 International, Inc. (stock ticker: GHTI); Asia Global Holdings Corp. (stock ticker: AAGH); Playstar Corporation (stock ticker: PLYCF); and INCA Designs, Inc. (stock ticker: IDGI).

"The integrity of our nation's public stock markets requires protection from those greedy few who engage in market manipulation at the expense of many," said Acting United States Attorney Weiss. "The wide-ranging actions of the defendants demonstrate rampant, serial abuse of the free-market system through a nationwide network of manipulative trading, which netted the defendants millions of dollars in fraud proceeds. Especially in these challenging economic times, the United States Attorney's Office is committed to vigorously prosecuting those who continue to undermine our system of capital markets by committing securities fraud."

"For as long as societies have had financial systems, there have been people who attempt to exploit those systems," said John P. Kelleghan, Special Agent in Charge of the ICE Office of Investigations in Philadelphia. "One of ICE's priorities is to work with our law enforcement partners to protect the public and the integrity of our nation's financial system."

¹The Indictments are merely accusations, and all defendants are presumed innocent unless proven guilty.

“Money laundering is a global threat, fuel for criminals to conduct their criminal affairs and is used to manipulate and erode our financial systems,” said Don Fort, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, Philadelphia.

The Alleged Scheme

Taken together, the indictments allege that, between September 2006 and September 2008, defendants Dynkowski, Mangiapane, Riviello, Brown, Cancelli, and D’Amaro sought to fraudulently inflate market demand for, and thus the prices of, shares of various companies traded through the “pinksheets” and on the over-the-counter bulletin board by manipulating sales of those stocks in a way that appeared to be the product of free and fair market forces. To accomplish this, the indictments allege that the defendants used sham conversions of corporate debt, postings on on-line message boards, and manipulative trading (such as wash sales and matched orders). As alleged in the indictments, these actions were often timed to coincide with false and/or misleading press releases from the issuers, which were at times orchestrated by the defendants. Once the fraudulent market demand was created, the defendants would sell off large blocks of shares that they had acquired, generating millions of dollars in profits at the expense of unwary investors. The indictments further allege that the proceeds from these stock sales were laundered through various individuals’ and entities’ bank accounts, both inside and outside the United States.

The Indictments

A nine-count indictment filed on April 16, 2009, charges Pawel Dynkowski and Joseph Mangiapane, Jr., with various securities fraud, wire fraud, conspiracy to commit securities fraud, conspiracy to commit money laundering, and money laundering offenses. Marc Riviello is charged with one count of conspiracy to commit securities fraud, one count of conspiracy to commit money laundering, and one count of money laundering. A separate indictment charging Matthew W.

Brown with related offenses was also returned on April 16, 2009. The charges in these indictments primarily arise out of the alleged manipulation of GHTI and AAGH.

Jacob Canceli was charged on April 16, 2009, with one count each of conspiracy to commit securities fraud, securities fraud, wire fraud, and conspiracy to commit money laundering. These charges principally relate to his alleged involvement in the manipulation of GHTI.

A four-count indictment filed on April 30, 2009, charges Gerard D'Amato and Pawel Dynkowski each with one count of conspiracy to commit securities fraud, one count of securities fraud, one count of wire fraud, and one count of conspiracy to commit money laundering. These charges primarily arise out of the alleged manipulation of PLYCF and IDGI.

Defendant Angelo R. "Bill" Panetta is charged separately with one count of perjury and one count of obstruction of justice in connection with his testimony before a grand jury for the District of Delaware. According to the indictment, Panetta provided false testimony to the Grand Jury concerning conversations he had with "R.R.," another subject of the investigation, during which Panetta and R.R. discussed how Panetta might handle the questions posed to him in the Grand Jury. Panetta is also charged with concealing from the Grand Jury his knowledge of another person involved in the investigation.

Each count of securities fraud, wire fraud, money laundering, and conspiracy to commit money laundering carries a maximum penalty of twenty years imprisonment, and fines ranging from \$250,000 to \$5,000,000. Each count of conspiracy to commit securities fraud carries a maximum penalty of five years imprisonment and a \$250,000 fine. The maximum penalties for perjury and obstruction of justice are five and ten years imprisonment, respectively, and a \$250,000 fine per count.

Acting U.S. Attorney Weiss praised the cooperative law enforcement effort that resulted in these charges. The investigation, which began in 2007, has been pursued jointly by local ICE, IRS,

and DSP authorities, with assistance from local and federal investigators in Orange County, California, Ft. Lauderdale, Florida, and New York City. Acting U.S. Attorney Weiss also thanked the SEC for its willingness to provide invaluable assistance to the federal authorities. Acting U.S. Attorney Weiss stated that the investigation is continuing.

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