



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **TENNESSEE WOMAN PLEADS GUILTY IN 'MIRACLE CARS' FRAUD**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Tennessee woman pleaded guilty in federal court today to her role in the Miracle Cars scheme.

**Gwendolyn Baker**, 52, of Memphis, Tenn., pleaded guilty before U.S. District Judge Nanette K. Laughrey this morning to both a federal indictment that was returned by a grand jury on June 25, 2002, as well as a federal information filed today that charges her with two counts of interstate transportation of property obtained by fraud.

Miracle Cars, Graves explained, was a nationwide conspiracy that defrauded thousands of victims of millions of dollars. **Baker** was indicted on June 25, 2002, for her role in the Miracle Cars scheme, which targeted churches and religious groups with the promise of bargain-priced vehicles as a reward for religious faith. Purchasers of those automobiles and other vehicles were told that a man named John Bowers had left a multi-million dollar estate with a significant number of vehicles to be sold at bargain prices. "In reality," Graves said, "there was no such estate and there were never any cars."

The Miracle Cars scheme raised more than \$20 million from individuals throughout the United States for the purchase of more than 7,000 automobiles and other motor vehicles from Oct. 1, 1998 to June 25, 2002. Approximately \$1.3 million was from victims in the state of Missouri, who believed they were purchasing approximately 600 vehicles.

By pleading guilty to the indictment, **Baker** admitted that she participated in the scheme to defraud individuals into providing money to purchase vehicles from the non-existent estate. "During at least part of the time of the conspiracy," Graves said, "**Baker** admittedly knew that the estate and the cars did not exist. Yet she continued to accept purchase money from individuals."

Under the terms of the plea agreement, **Baker** will forfeit any proceeds from the fraud scheme and any assets received as a result of the scheme.

By pleading guilty to the federal information, **Baker** also admitted that, on two occasions, she accepted car purchase money from an individual based on false representations concerning the availability of cars. On April 15, 2002, **Baker** caused a wire transfer of \$20,000 from an Overland Park, Kan., bank to a Memphis, Tenn., bank for the purchase of vehicles, knowing that the money had been stolen, converted and taken by fraud. On May 30, 2002, **Baker** caused a wire transfer of \$13,000 from an Overland Park, Kan., bank to a Memphis, Tenn., bank for the purchase of vehicles, knowing that the money had been stolen, converted and taken by fraud.

On May 2, 2003, co-defendant **Corinne M. Conway**, 62, of Higginsville, Mo., pleaded guilty to felony tax evasion in connection with nearly \$1 million she earned in the Miracle Cars scheme. A sentencing hearing has not yet been scheduled.

As a result of today's plea agreement, **Baker** could be subject to a sentence of up to 25 years in federal prison without parole, plus a fine up to \$500,000 or twice the financial gain to her and others, and an order of restitution to all victims of the fraud scheme. **Baker's** sentence will be determined according to the United States Sentencing Guidelines. A sentencing hearing will be scheduled after the completion of a presentence investigation by the U.S. Probation Office.

The case is being prosecuted by Assistant U.S. Attorneys J. Daniel Stewart and Curt Bohling. It was investigated by the Postal Inspection Service and the Internal Revenue Service, Criminal Investigation, with assistance from the Federal Bureau of Investigation in Tennessee, the Missouri Attorney General's Office, the California Department of Justice-Division of Gambling Control, the Tennessee Attorney General's Office, and the Better Business Bureau in Memphis, Tennessee.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

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