



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **TENNESSEE WOMAN SENTENCED IN 'MIRACLE CARS' FRAUD**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Tennessee woman was sentenced in federal court today for her role in the multi-million dollar Miracle Cars scheme.

**Gwendolyn Baker**, 53, of Memphis, Tenn., was sentenced by U.S. District Judge Nanette K. Laughrey this afternoon to five years in federal prison without parole. The court also ordered **Baker** to pay \$12,527,195 in restitution to the victims of the 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.

Co-defendants **James R. Nichols**, 27, of Carson, Calif., and **Robert Gomez**, 28, of Long Beach, Calif., were convicted by a federal jury on June 6, 2003, for their role in the conspiracy to defraud, 13 counts of transferring in interstate commerce of money taken by fraud, and five counts of money laundering. The jury also found **Nichols** guilty of two additional counts of money laundering. **Nichols** is scheduled to be sentenced on Oct. 30, 2003. A sentencing hearing for **Gomez** has not yet been scheduled.

Co-defendant **Corinne M. Conway**, 63, of Higginsville, Mo., waived her right to a grand jury indictment and pleaded guilty on May 2, 2003 to a federal information that charges her with one count of felony tax evasion. Under the terms of a plea agreement, the United States will dismiss the charges against **Conway** that are contained in the federal indictment. **Conway's** sentencing is scheduled for Oct. 23, 2003.

On May 15, 2003, **Baker** pleaded guilty to the federal indictment as well as a federal information that charges her with two counts of interstate transportation of property obtained by fraud.

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."

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.

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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