



NEWS RELEASE

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HIGGINSVILLE WOMAN SENTENCED FOR FELONY TAX EVASION ON NEARLY \$1 MILLION GAINED IN 'MIRACLE CARS' SCAM

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Higginsville, Mo., woman was sentenced in federal court today for felony tax evasion in connection with nearly \$1 million she earned in the nationwide, multi-million dollar Miracle Cars scheme.

Corinne M. Conway, 63, of Higginsville, Mo., was sentenced by U.S. District Judge Nanette K. Laughrey this morning to 14 months in federal prison without parole. The court ordered **Conway** to pay \$4,977,369 in restitution to the victims of the fraud. The court also ordered **Conway** to transfer any interest she or The Virtuous Women International Ministry has in the property at 409 W. 19th Street, Higginsville, Mo., to the United States so that the property may be sold subject to a further court order for restitution.

Miracle Cars, Graves explained, was a nationwide conspiracy that allegedly defrauded hundreds of victims of millions of dollars. **Conway** was indicted on June 25, 2002, for her role in the Miracle Cars scam, 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.

On May 2, 2003, **Conway** pleaded guilty to a federal information that charges her with

one count of felony tax evasion. Under the terms of the plea agreement, the United States dismissed the charges against **Conway** in the multiple-count indictment related to the conspiracy to defraud.

Gwendolyn Baker, 53, of Memphis, Tenn., a co-defendant in that federal indictment, was sentenced on Oct. 22, 2003, 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. 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.

James R. Nichols, 27, of Carson, Calif., and **Robert Gomez**, 28, of Long Beach, Calif., also co-defendants in that indictment, were convicted by a federal jury on June 6, 2003, for their role in the conspiracy to defraud, as well as 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.

Conway's plea agreement also anticipates a review by the Internal Revenue Service of whether the status of The Virtuous Women International Ministry as a charitable organization is appropriate.

Through her charitable organization, The Virtuous Women International Ministry, **Conway** had contacts with churches and religious groups throughout the United States. **Conway** took advantage of those relationships, Graves said, to work as a "finder," or intermediary who helped to locate buyers for the estate cars. **Conway** also had several other finders throughout the United States, Graves added, and purchase money from these other finders was transmitted to **Conway**.

Conway admitted that she sold vehicles to numerous individuals and received substantial amounts of commissions from purchasers, Graves said. **Conway** began selling the estate cars in 1999, and in 2000 began receiving a \$1,000 commission for each vehicle purchased. Graves explained that the court's restitution order included the total amount of the purchase money funneled through **Conway** (after any refunds) as well as commissions earned by **Conway**.

Conway admitted that she earned \$991,810 in finder's fees during the year 2000. After \$161,222 in refunds and business expenses, Graves said, **Conway** earned a net profit of approximately \$818,209. Although she should have paid more than \$320,000 in federal income taxes on those earnings, **Conway** admitted that she took steps to prevent the Internal Revenue Service from learning of her income from finder's fees and her tax liability for those fees.

One way in which **Conway** attempted to evade paying taxes, Graves said, was by disguising some of her earnings as contributions to Virtuous Women International Ministries, a tax-exempt charitable organization she operates in Higginsville. **Conway** admitted that she paid a number of personal expenses out of the Virtuous Women International Ministries account.

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, 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.

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

www.usdoj.gov/usao/mow