

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, November 8, 2019

Four Additional Individuals Charged for Role in Multi-Million Dollar Investment Fraud Scheme

Four additional individuals were charged in an indictment unsealed today in the Northern District of Texas for their role in a multi-million investment fraud scheme that targeted the elderly.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Erin Nealy Cox of the Northern District of Texas, and Inspector in Charge Delany DeLeon-Colón of the U.S. Postal Inspection Service's Criminal Investigations Group in Washington, D.C., made the announcement.

Suzanne Aileen Gagnier, 65, of Huntington Beach, California; Joe Edward Duchinsky, 64, of Alhambra, California; Joseph Lucien Duplain, 78, of Murrieta, California; and Russell Filippo, 69, of Oklahoma City, Oklahoma, were each charged with one the count of conspiracy to commit mail and wire fraud and 10 counts of mail fraud. Gagnier, Duchinsky, and Duplain were also charged with 10 counts of wire fraud, and Filippo was charged with eight counts of wire fraud. Gagnier was arrested and appeared on Nov. 7, 2019, before U.S. Magistrate Judge Frederick F. Mumm of the Central District of California. Duchinsky was also arrested and appeared on Nov. 7, 2019, before U.S. Magistrate Judge Autumn D. Spaeth of the Central District of California. Filippo was also arrested and appeared on Nov. 7, 2019, before U.S. Magistrate Judge Gary M. Purcell of the Western District of Oklahoma.

The superseding indictment also includes previously indicted co-defendants Cengiz Jan "CJ" Comu, John Mervyn Price, Harley E. "Buddy" Barnes III, Richard Lawrence Green and Daniel Thomas Broyles Sr. Comu, Price, Barnes, Green and Broyles are charged with one count of conspiracy to commit mail and wire fraud. In addition, Comu, Price, Barnes and Green are each charged with 10 counts of mail fraud and 10 counts of wire fraud. This superseding indictment also adds charges against Comu, Price and Barnes for money laundering. A trial date is currently set for March 30, 2020.

In addition, on Oct. 31, 2019, Donald Andrew Rothman, 72, of Coral Springs, Florida, who was not charged in the original indictment, pleaded guilty to one count of conspiracy to commit mail and wire fraud as charged in an information for his role in the scheme. Rothman appeared before U.S. Magistrate Judge Rebecca Rutherford of the Northern District of Texas. Sentencing has been scheduled for Feb. 26, 2020.

The superseding indictment alleges that, beginning in or around 2013 and continuing through in or around May 2019, the defendants participated in a scheme to defraud victims in the United States, the United Kingdom and Canada by fraudulently selling them stock in a company named EarthWater. To induce victims to purchase EarthWater stock, the defendants falsely promised victims the opportunity to earn a high-rate of return in a short period of time by offering them stock at a low price on what they falsely claimed was the eve of EarthWater's initial public offering (IPO). In truth, EarthWater had no ability or actual plans to go public. The defendants also repeatedly lied to victims about how their money would be used, telling victims that nearly all of their money would be reinvested in EarthWater's business (including to launch the IPO). In truth, the defendants stole most of the victims' money and treated EarthWater's accounts like their own personal piggybank.

The superseding indictment further alleges that the defendants targeted elderly victims and also selected victims whom they had swindled in the past and therefore believed to be more susceptible. For example, when the defendants successfully defrauded a victim by selling them EarthWater stock, the defendants would repeatedly call that victim to sell them more shares.

According to the superseding indictment, the defendants' scheme lasted for more than five years and defrauded at least 300 victims of over \$9.5 million.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

This case was investigated by the U.S. Postal Inspection Service. Trial Attorneys Christopher Fenton, William Bowne, and Amanda R. Vaughn of the Criminal Division's Fraud Section and Assistant U.S. Attorney Mary F. Walters of the Northern District of Texas are prosecuting the case.

The Criminal Division's Fraud Section plays a pivotal role in the Department of Justice's fight against white collar crime around the country.

Individuals who believe that they may be a victim in this case should visit the Fraud Section's [Victim Witness website](#) for more information.

Topic(s):

Elder Justice

Securities, Commodities, & Investment Fraud

Component(s):

[Criminal Division](#)

[Criminal - Criminal Fraud Section](#)

[USAO - Texas, Northern](#)

Press Release Number:

19-1,223

Updated November 8, 2019