IN THE SUPREME COURT OF PENNSYLVANIA

OFFICE OF DISCIPLINARY COUNSEL, Petitioner	:	No. 1505 Disciplinary Docket No. 3
v.	:	No. 99 DB 2009
MICHAEL DAVID SINKO, Respondent	:	Attorney Registration No. 24681

ORDER

PER CURIAM

AND NOW, this 23rd day of January, 2012, upon consideration of the Recommendation of the Three-Member Panel of the Disciplinary Board dated October 24, 2011, the Joint Petition in Support of Discipline on Consent is hereby granted pursuant to Rule 215(g), Pa.R.D.E., and it is

ORDERED that Michael David Sinko is suspended on consent from the Bar of this Commonwealth for a period of four years retroactive to September 26, 2009, and he shall comply with all the provisions of Rule 217, Pa.R.D.E.

Mr. Justice McCaffery dissents.

A True Copy Patricia Nicola
As Of 1/23/2012

Attest: Patricia Nicola
Chief Clerk
Supreme Court of Pennsylvania

BEFORE THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

OFFICE OF DISCIPLINARY COUNSEL Petitioner	:	No. 1505 Disciplinary Docket No. 3
	:	No. 99 DB 2009
v.	:	
	:	Attorney Registration No. 24681
MICHAEL DAVID SINKO Respondent	:	(Out of State)

RECOMMENDATION OF THREE-MEMBER PANEL
OF THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

The Three-Member Panel of the Disciplinary Board of the Supreme Court of Pennsylvania, consisting of Board Members Charlotte S. Jefferies, Sal Cognetti, Jr., and Mark S. Baer, has reviewed the Joint Petition in Support of Discipline on Consent filed in the above-captioned matter on October 5, 2011.

The Panel approves the Joint Petition consenting to a four year suspension retroactive to September 26, 2009 and recommends to the Supreme Court of Pennsylvania that the attached Petition be Granted.

The Panel further recommends that any necessary expenses incurred in the investigation and prosecution of this matter shall be paid by the respondent-attorney as a condition to the grant of the Petition.

Charlotte S. Jefferies

Charlotte S. Jefferies, Panel Chair
The Disciplinary Board of the
Supreme Court of Pennsylvania

Date: October 24, 2011

BEFORE THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

OFFICE OF DISCIPLINARY COUNSEL, Petitioner	:	No. 1505 Disciplinary Docket No. 3
	:	99 DB 2009
v.	:	
	:	Atty. Reg. No. 24681
MICHAEL DAVID SINKO, Respondent	:	(Out of State)

JOINT PETITION IN SUPPORT OF DISCIPLINE ON CONSENT UNDER RULE 215(d), Pa.R.D.E.

Petitioner, Office of Disciplinary Counsel, by Paul J. Killion, Chief Disciplinary Counsel, and Robert P. Fulton, Esquire, Disciplinary Counsel, and Respondent, Michael David Sinko, by his counsel, Steven R. Cohen, Esquire, file this Joint Petition In Support Of Discipline On Consent Under Rule 215(d) of the Pennsylvania Rules of Disciplinary Enforcement ("Pa.R.D.E.") and respectfully represent that:

1. Petitioner, whose principal office is located at Pennsylvania Judicial Center, Suite 2700, 601 Commonwealth Avenue, Harrisburg, Pennsylvania, is vested, pursuant to Pa.R.D.E. 207, with the power and the duty to investigate all matters involving alleged misconduct of an attorney admitted to practice law in the Commonwealth of Pennsylvania and to prosecute all disciplinary proceedings brought in accordance with the various provisions of the aforesaid Rules.

2. Respondent, Michael David Sinko, was born in 1951, and was admitted to practice law in the Commonwealth on November 22, 1976. Respondent's mailing address is 529 Balsam Road, Cherry Hill, New Jersey 08003. Respondent is subject to the disciplinary jurisdiction of the Disciplinary Board of the Supreme Court of Pennsylvania.

3. On or about November 13, 2007, Respondent was charged in an Indictment in the United States District Court for the Eastern District of Pennsylvania, under caption of ***United States of America v. Michael Sinko***, docket number 2:07-CR-00703-LDD-3, on three counts: Count 1 - "Money Laundering Conspiracy," in violation of 18 U.S.C. §1956(h); Count 2 - "Money Laundering," in violation of 18 U.S.C. §1956(a)(3)(B) and 2; Count 3 - "Money Laundering," in violation of 18 U.S.C. §1956(a)(3)(B) and 2. A true and correct copy of the Indictment is attached hereto, made a part hereof, and marked "Exhibit A."

4. On April 23, 2009, a jury entered guilty verdicts against Respondent as to Counts 1 and 3 and entered a not guilty verdict as to Count 2 of the Indictment.

5. On or about May 15, 2009, Respondent self-reported his criminal conviction to the Board.

6. On June 23, 2009, Respondent signed a Joint Petition to Temporarily Suspend an Attorney, which was

subsequently filed with the Supreme Court of Pennsylvania.

7. On August 6, 2009, Respondent appeared before United States District Judge Legrome D. Davis, at which time Judge Davis imposed a sentence of 30 months of imprisonment on each count to run concurrently to each other, and following Respondent's release from imprisonment, three years of supervised release. In addition, the Court ordered that Respondent shall: 1) not possess a firearm, ammunition, destructive device, or any other dangerous weapon; 2) cooperate in the collection of DNA as directed by the probation officer; 3) make available to the United States Probation Department all financial documents including all yearly tax returns; 4) not open any lines of credit or obtain credit cards without the permission of the United States Probation Department; 5) pay a $200 assessment; and 6) pay a $50,000 fine. A true and correct copy of a certified copy of the Judgment of Conviction is attached as "Exhibit B."

8. By Order dated August 27, 2009, the Supreme Court of Pennsylvania granted the Joint Petition to Temporarily Suspend an Attorney, placed Respondent on temporary suspension pursuant to Pa.R.D.E. 214 (Attorneys convicted of crimes), and referred the matter to the Disciplinary Board pursuant to Pa.R.D.E. 214(f)(1).

SPECIFIC FACTUAL ADMISSIONS AND RULE OF DISCIPLINARY ENFORCEMENT VIOLATED

9. Respondent stipulates that the factual allegations of Paragraphs 3-4 and 7, *supra*, and the following factual allegations, are true and correct and that he violated the Rule of Disciplinary Enforcement set forth in Paragraph 24, *infra*.

10. The FBI established an undercover operation ("sting") after receiving information from a cooperating witness ("CW") regarding a conspiracy to solicit and accept bribes/kickbacks from unqualified loan applicants by Craig J. Scher ("Scher"), the former Regional President of NOVA Savings Bank ("NOVA") in return for Scher exerting his influence at NOVA to obtain loans and lines of credit for those applicants. The CW also provided information regarding a conspiracy to launder funds.

11. Respondent was outside counsel to NOVA.

12. The CW introduced Special Agent John Roberts as "John Palmer" ("Palmer") to Scher and James Bell, Jr. ("Bell"), a New Jersey real estate developer.

13. Palmer informed Scher and Bell that he was in a bitterly contested divorce and wanted to invest in an oceanfront condominium but wanted to hide his ownership in the property.

14. Eventually, Scher and Bell steered Palmer to a

condominium project that Bell was involved in on Hand Avenue in Wildwood, New Jersey, and in which Respondent had an ownership interest. The Hand Avenue project was also financed by NOVA.

15. Bell informed Palmer that Scher and Respondent concealed their respective involvement with the Hand Avenue project because of their roles with NOVA.

16. Palmer discussed with Respondent the Hand Avenue project in which Palmer:

a. informed Respondent that he might be interested in purchasing one of the units that Respondent was building; and

b. explained that he would provide a $100,000 cash payment, which could not be reported on the sales agreement.

17. At one point of the discussions over the Hand Avenue project, Palmer informed Scher, and then Respondent, that the funds with which Palmer intended to invest in the Hand Avenue project had been embezzled from Palmer's employer through false invoicing.

18. Scher and Respondent informed Palmer that the $100,000 could be laundered through a series of $15,000 payments made to Respondent.

19. On September 29, 2005 and November 8, 2005,

Palmer gave Scher and Respondent two $15,000 installment payments in cash toward the purchase of a condominium in the Hand Avenue project.

20. Respondent placed the $30,000 in his safe where it remained until Respondent was approached by the F.B.I., at which time the money was returned by Respondent.

21. The crime of Money Laundering - Conspiracy, a Class B felony, is punishable by imprisonment not to exceed twenty years. 18 U.S.C. §1956(h) & 18 U.S.C. § 1956(a)(3). Therefore, this crime is a "serious crime," as defined by Pa.R.D.E. 214(i).

22. The crime of Money Laundering, a Class B felony, is punishable by imprisonment not to exceed twenty years. 18 U.S.C. § 1956(a)(3). Therefore, this crime is a "serious crime," as defined by Pa.R.D.E. 214(i).

23. Respondent's conviction constitutes a per se ground for discipline under Pa.R.D.E. 203(b)(1).

24. Respondent admits that by his criminal conviction and conduct as detailed in Paragraphs 3, 4, 7, and 9 through 22 above, he violated former Pa.R.D.E. 203(b)(1)[subsequently revised, effective August 28, 2009], which provides that conviction of a crime, which under Enforcement Rule 214 (relating to attorneys convicted of

crimes) may result in suspension, shall be grounds for discipline.

SPECIFIC JOINT RECOMMENDATION FOR DISCIPLINE

25. Petitioner and Respondent jointly recommend that the appropriate discipline for Respondent's admitted misconduct is a suspension from the practice of law for a period of four years.

26. Respondent hereby consents to the discipline being imposed upon him by the Supreme Court of Pennsylvania. Attached to this Petition is Respondent's executed Affidavit required by Pa.R.D.E. 215(d), stating that he consents to the recommended discipline and including the mandatory acknowledgements contained in Pa.R.D.E. 215(d)(1) through (4).

27. In support of Petitioner and Respondent's joint recommendation, it is respectfully submitted that:

a. There are several mitigating circumstances:

1. if this matter proceeded to hearing, Respondent would testify that he was involved in various community services, including: i) serving as a volunteer mediator on the Camden County Matrimonial Early Settlement Panel; ii) serving as a volunteer arbitrator for

the New Jersey Superior Court's commercial litigation program; iii) serving as a coach and umpire for the Medford Youth Athletic Association baseball program; iv) annually participating with his family in the Camden County "Adopt a Family" program at Christmas, which consisted of buying food and gifts for underprivileged families from Camden; v) participating in fund-raising for several charities including the March of Dimes, the American Heart Association, the Juvenile Diabetes Foundation, the Camden County Bar Foundation (the charitable arm of the Camden County Bar Association), and the Evesham Education Foundation; and vi) making financial contributions primarily to environmental and wildlife causes;

2. Respondent has admitted engaging in misconduct and violating the charged Rule of Disciplinary Enforcement;

3. Respondent has cooperated with Petitioner, as is evidenced by Respondent's admissions herein and his consent to receiving a suspension of four years;

4. Respondent is remorseful; and

5. Respondent has no prior disciplinary history.

28. In ***Office of Disciplinary Counsel v. Aaron David Denker,*** 52 DB 1996 (D.Bd. Rpt 11/27/1997)(S.Ct. Order 2/10/1998), the respondent was disbarred following his conviction for laundering $100,000 in drug money. At his disciplinary hearing, Denker (whose practice included criminal defense) testified that he did not know that his conversion of $100,000 in cash to 117 money orders and other negotiable instruments was an illegal activity. In rejecting this testimony, the Board found incredible that a criminal defense attorney either would not have known or would not have inquired into the legitimacy of his actions. The Board in ***Denker*** also found the case analogous to ***Office of Disciplinary Counsel v. Alfonso A. Tumini***, 499 Pa. 284, 453 A.2d 310 (1982). In ***Tumini***, the respondent was disbarred following his criminal activity that included money laundering, false swearing before the grand jury, and

the delivery of bribes, which activity had not resulted in conviction because of an initial grant of immunity and the respondent's decision to recant his perjured testimony before the grand jury under threat of prosecution for perjury.

In ***Office of Disciplinary Counsel v. Michael W. McCarrin***, 80 Pa. D.&C.4th 315 (2006), the respondent was suspended for five years following his jury trial conviction for money-laundering (2 counts) and mail fraud (9 counts). The jury determined that the respondent utilized approximately $212,000. Both the hearing committee and Board determined that the respondent failed to display adequate remorse. In its Report and Recommendation in ***McCarrin***, the Board reviewed cases involving suspensions of four and five years and disbarment.

A suspension of four years was imposed in ***In re Anonymous No. 20 DB 81 (Lebovitz)***, 36 Pa. D.&C.3d 202 (1985). Lebovitz was convicted of thirteen counts of mail fraud and one count of conspiracy based upon the submission of false claims to insurance companies to obtain larger settlements in personal injury cases. Based upon the respondent's "true contriteness," his insight into the seriousness of his actions, lack of a disciplinary record,

and active community service, the Board recommended the four-year suspension.

In ***Office of Disciplinary Counsel v. Philip A. Valentino***, 730 A.2d 479 (Pa. 1999), the Court imposed a suspension of five years despite a recommendation by the Board for disbarment.[1] Valentino had been convicted of one count of mail fraud based on a series of fraudulent claims to insurance companies for medical services that were not provided to the respondent's clients. In recommending disbarment, the Board determined that the respondent's criminal conviction was "considerably aggravated" by the respondent's subornation of perjury by his client-mother before a grand jury. In imposing the five-year suspension, the Court stated that because the respondent brought the subornation of perjury to the attention of the criminal court shortly after it occurred and thereafter cooperated with the federal authorities by providing them with information to which they were not already privy, dictated that disbarment would not be necessary.

In ***Office of Disciplinary Counsel v. Daniel W. Chung***, 695 A.2d 405 (Pa. 1997), the Court imposed a suspension of five years despite a recommendation by the Board for

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[1] This was a 4-3 decision with the dissent opining that disbarment was appropriate in view of the extended period of time over which the respondent's misconduct occurred and the respondent's subornation of perjury.

disbarment. Chung had been charged with seventeen counts of making false statements to a federally insured financial institution to secure loans for a number of his clients and three counts of mail fraud.[2] The respondent entered a guilty plea to five counts of making false statements to a federally insured financial institution, and the remaining fifteen counts were dropped by the prosecution. The Court determined that disbarment was not necessary based upon the respondent's community service and lack of a disciplinary record.

In ***Office of Disciplinary Counsel v. Eric Jeffrey Wiener***, 64 Pa. D.&C.4th 118 (2003), the respondent was convicted of two counts of wire fraud following a jury trial. During the course of the criminal matter, the trial judge determined that the respondent had given false testimony on a material matter during the course of the trial. Based upon this determination, the trial court increased by two levels the respondent's offense level for obstruction of justice under the Federal Sentencing Guidelines. The Board recommended a four-year suspension but the Court imposed a suspension of five years.

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[2] The dissenting opinion of Justice (now Chief Justice) Castille notes that the Assistant United States Attorney explained at the respondent's sentencing that the government could have produced over fifty additional loans in which the respondent produced fraudulent loan documents.

Respondent's misconduct does not contain the aggravating circumstances found in the foregoing matters that resulted in either disbarment or the imposition of a five-year suspension and more closely resembles the circumstances found in ***Lebovitz***.

WHEREFORE, Petitioner and Respondent respectfully request that:

a. Pursuant to Rule 215(e) and 215(g), Pa.R.D.E., a three-member panel of the Disciplinary Board review and approve the above Joint Petition In Support Of Discipline On Consent and file its recommendation with the Supreme Court of Pennsylvania in which it is recommended the Supreme Court enter an Order:

   i. suspending Respondent from the practice of law for a period of four years retroactive to September 26, 2009, the effective date of the Order placing Respondent on temporary suspension;

   ii. directing Respondent to comply with all of the provisions of Rule 217, Pa.R.D.E.

b. Pursuant to Rule 215(i), the three-member panel of the Disciplinary Board order Respondent to pay the necessary expenses incurred in the

investigation of this matter as a condition to the grant of the Petition and that all expenses be paid by Respondent before the imposition of discipline under Rule 215(g), Pa.R.D.E.

Respectfully submitted,

OFFICE OF DISCIPLINARY COUNSEL
PAUL J. KILLION
CHIEF DISCIPLINARY COUNSEL

3 Oct 2011
Date

By: _____
Robert P. Fulton, Esquire
Disciplinary Counsel
Attorney Regis. No. 37935
Seven Penn Center, 16th Floor
1635 Market Street
Philadelphia, PA 19103
(215) 560-6296

and

9/30/11
Date

By: _____
Michael David Sinko
Attorney Regis. No. 24681
Respondent

and

09.30.11
Date

By: _____
Steven R. Cohen, Esquire
Counsel for Respondent
Attorney Regis. No. 24548
Selikoff & Cohen, P.A.
700 East Gate Drive,
Suite 502
Mount Laurel, NJ 08054

BEFORE THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

OFFICE OF DISCIPLINARY COUNSEL, Petitioner	:	No. 1505 Disciplinary Docket No. 3
	:	99 DB 2009
v.	:	
	:	Atty. Reg. No. 24681
MICHAEL DAVID SINKO, Respondent	:	(Out of State)

AFFIDAVIT UNDER RULE 215(d), Pa.R.D.E.

Respondent, Michael David Sinko, hereby states that he consents to the imposition of a four-year suspension, as jointly recommended by Petitioner, Office of Disciplinary Counsel, and Respondent in the Joint Petition In Support Of Discipline On Consent and further states that:

1. His consent is freely and voluntarily rendered; he is not being subjected to coercion or duress; and he is fully aware of the implications of submitting the consent;

2. He acknowledges that he is fully aware of his right to consult and employ counsel to represent him in the instant proceeding. He has retained, consulted with and acted upon the advice of counsel in connection with his decision to consent to discipline. Counsel for Respondent is Steven R. Cohen, Esquire, Selikoff & Cohen, P.A., 700 East Gate Drive, Suite 502, Mount Laurel, NJ 08054;

3. He is aware that there is presently pending a disciplinary proceeding at No. 99 DB 2009 involving allegations that he has been guilty of misconduct as set forth in the Joint Petition;

4. He acknowledges that the material facts set forth in the Joint Petition are true; and

5. He consents because he knows that if charges pending at No. 99 DB 2009 continued to be prosecuted, he could not successfully defend against them.

Michael David Sinko
Respondent

Sworn to and subscribed
before me this 30th day
of September, 2011.

Erika Bridget Zieger
Notary Public

ERIKA BRIDGET ZIEGER
A Notary Public of New Jersey
My Commission Expires OCTOBER 19, 2015

BEFORE THE DISCIPLINARY BOARD OF THE
SUPREME COURT OF PENNSYLVANIA

OFFICE OF DISCIPLINARY COUNSEL, Petitioner	:	No. 1505 Disciplinary Docket No. 3
	:	99 DB 2009
v.	:	
	:	Atty. Reg. No. 24681
MICHAEL DAVID SINKO, Respondent	:	(Out of State)

VERIFICATION

The statements contained in the foregoing Joint Petition in Support of Discipline On Consent Under Rule 215(d), Pa.R.D.E., are true and correct to the best of our knowledge or information and belief and are made subject to the penalties of 18 Pa.C.S. §4904, relating to unsworn falsification to authorities.

3 Oct 2011
Date

By: _____
Robert P. Fulton, Esquire
Disciplinary Counsel

9/30/11
Date

By: _____
Michael David Sinko
Respondent

09.30.11
Date

By: _____
Steven R. Cohen, Esquire
Counsel for Respondent

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. 07-
v.	:	DATE FILED:
CRAIG J. SCHER JAMES BELL, JR. MICHAEL SINKO	:	VIOLATIONS: 18 U.S.C. § 1956(h) (money laundering conspiracy - 1 count) 18 U.S.C. § 1956(a)(3)(B) (money laundering - 2 counts) 18 U.S.C. § 215(a)(2) (bank bribery - 3 counts) 18 U.S.C. § 2 (aiding and abetting) 18 U.S.C. § 982 (criminal forfeiture)

INDICTMENT

COUNT ONE

(MONEY LAUNDERING CONSPIRACY)

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

1. Defendant CRAIG J. SCHER was the Regional President of NOVA Savings Bank ("NSB"), the deposits of which were insured by the Federal Deposit Insurance Corporation. Defendant SCHER's responsibilities included initiating and managing NSB's portfolio of commercial and residential loans. Defendant SCHER had authority to approve loans of up to $1,000,000.

2. Defendant JAMES BELL, JR. was a real estate developer and owner of Ocean Development, LLC in New Jersey.

3. Defendant MICHAEL SINKO was a licensed practicing attorney in New Jersey and Pennsylvania, and outside counsel for NOVA Savings Bank. Defendant SINKO

owned and operated Hand Development, LLC, an entity formed to develop a tract of land into a six-unit condominium project in Wildwood, NJ.

4. From in or about October 2004 to in or about December 2005, in the Eastern District of Pennsylvania, and elsewhere, defendants

CRAIG J. SCHER,
JAMES BELL, JR., and
MICHAEL SINKO

conspired and agreed together to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce, which involved property represented by a law enforcement officer and a person acting under the direction of an authorized law enforcement officer to be the proceeds of a specified unlawful activity, that is mail fraud, in violation of Title 18, United States Code, Section 1341, with the intent to conceal and disguise the nature, location, source, ownership, and control of property believed to be the proceeds of the specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(3)(B).

MANNER AND MEANS

It was part of the conspiracy that:

5. Defendants CRAIG J. SCHER, JAMES BELL, JR., and MICHAEL SINKO agreed to help launder $100,000 in cash for a person that they believed to be a businessman who had defrauded his employer, used the U.S. mails to further the fraud scheme, and sought to conceal the proceeds of this fraud.

6. Defendants CRAIG J. SCHER, JAMES BELL, JR., and MICHAEL SINKO agreed to sell a condominium at the New Jersey shore to this businessman, who actually was an undercover agent ("UCA") of the Federal Bureau of Investigation, and to falsely represent

on the agreement of sale that the purchase price was $100,000 less than the actual purchase price, thereby hiding the $100,000 in cash proceeds of a fraud.

7. Defendant CRAIG J. SCHER authorized a loan from NSB for the UCA to purchase the condominium.

8. Defendants CRAIG J. SCHER and MICHAEL SINKO accepted payments totaling $30,000 in cash from the UCA toward the $100,000 in cash that was to be laundered as part of the purchase of the condominium.

9. Defendants CRAIG J. SCHER, JAMES BELL, JR. and MICHAEL SINKO agreed to share the proceeds from the sale of the condominium, which included the $100,000 in laundered cash, and to conceal the interest of defendant SCHER because of his position at the bank.

OVERT ACTS

In furtherance of the conspiracy, defendants CRAIG J. SCHER, JAMES BELL, JR., and MICHAEL SINKO committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. On or about October 28, 2004, defendant CRAIG J. SCHER encouraged the UCA to conceal money that defendant SCHER believed had been obtained by fraud by investing the money in a Hand Avenue, Wildwood, NJ condominium project which was being constructed by defendant JAMES BELL, JR. and financed by defendant MICHAEL SINKO.

2. On or about November 9, 2004, defendant JAMES BELL, JR. provided the UCA details about the Hand Avenue condominium project, explaining that defendant CRAIG J. SCHER had utilized his signature authority at NSB to override the bank's loan procedures so

that defendant MICHAEL SINKO could obtain financing for the project. Defendant BELL also told the UCA that he was sharing the proceeds from the sale of the condominiums with defendants SCHER and SINKO.

3. On or about January 4, 2005, defendant MICHAEL SINKO told the UCA that defendant CRAIG J. SCHER had made him aware of the details involving the UCA's purchase of a Hand Avenue condominium. Defendant SINKO said that he would prepare a sales agreement in which the purchase price would be falsely represented to be less than the actual price.

4. On or about January 12, 2005, defendant CRAIG J. SCHER told the UCA that "the best way to handle the cash is to let Mike [defendant MICHAEL SINKO] handle it."

5. On or about March 19, 2005, after learning from the UCA that the cash represented the proceeds of a mail fraud scheme, defendant CRAIG J. SCHER told the UCA that "all of us are on the same page" and that defendant MICHAEL SINKO was the "ideal guy" to handle this situation.

6. On or about June 6, 2005, defendants CRAIG J. SCHER and MICHAEL SINKO had a meeting with the UCA, during which defendant SCHER explained the purpose of the meeting by stating to defendant SINKO "as you and I already talked [this] is to facilitate for him [the UCA] to be able to move some of the sale off of the paper." Defendant SCHER further explained that he "thought we'd get together tonight to talk and make sure everybody's on the same page." Defendants SCHER and SINKO agreed to draft an agreement of sale for a unit in the Hand Avenue, Wildwood, NJ condominium project in which the purchase price would be falsely represented to be $100,000 less than the actual purchase price.

7. On or about July 24, 2005, defendant CRAIG J. SCHER met the UCA and discussed the laundering of $100,000 in cash. Defendant SCHER told the UCA that "the fewer the people that know, the less chance that we'll have problems on this."

8. On or about September 29, 2005, defendants CRAIG J. SCHER and MICHAEL SINKO met the UCA to receive $15,000 in cash representing the first installment payment towards the $100,000 in cash that was to be laundered. When the UCA asked who was to receive the money, defendant SCHER motioned to defendant SINKO, who took the money and said it would go into "a box." Defendants SCHER and SINKO said that nobody would know about the transaction.

9. On or about October 3, 2005, after being told that the UCA had fraudulently obtained the cash that he was using to purchase the condominium, defendant MICHAEL SINKO said "that's another reason why the fewer people [who] know, the better."

10. On or about November 8, 2005, defendant CRAIG J. SCHER accepted a second cash installment payment of $15,000 from the UCA and said that he would give the cash to defendant MICHAEL SINKO to be placed in defendant SINKO's safe.

11. On or about November 18, 2005, defendant MICHAEL SINKO told the UCA that defendant CRAIG J. SCHER had given him the $15,000 that defendant SCHER had received from the UCA on November 8, 2005 and that defendant SINKO had placed the cash into a safe at defendant SINKO's home.

All in violation of Title 18, United States Code, Section 1956(h).

COUNT TWO

(MONEY LAUNDERING)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations set forth in paragraphs 1 through 3 and 5 through 9 and overt acts paragraphs 1 through 11 of Count One are realleged here.

2. On or about September 29, 2005, in the Eastern District of Pennsylvania, and elsewhere, defendants

CRAIG J. SCHER,
JAMES BELL, JR., and
MICHAEL SINKO

knowingly conducted and attempted to conduct, and aided, abetted, and willfully caused, a financial transaction affecting interstate commerce, involving property, that is, $15,000 in U.S. currency, represented by a law enforcement officer and a person acting under the direction of an authorized law enforcement officer to be proceeds of specified unlawful activity, that is, mail fraud, in violation of Title 18, United States Code, Section 1341, with the intent to conceal and disguise the nature, location, source, ownership, and control of such property believed to be proceeds of specified unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(3)(B) and 2.

COUNT THREE

(MONEY LAUNDERING)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations set forth in paragraphs 1, 2, 3, and 5 through 9 and overt acts paragraphs 1 through 11 of Count One are realleged here.

2. On or about November 8, 2005, in the Eastern District of Pennsylvania, and elsewhere, defendants

CRAIG J. SCHER,
JAMES BELL, JR., and
MICHAEL SINKO

knowingly conducted and attempted to conduct, and aided, abetted, and willfully caused, a financial transaction affecting interstate commerce, involving property, that is, $15,000 in U.S. currency, represented by a law enforcement officer and a person acting under the direction of an authorized law enforcement officer to be proceeds of specified unlawful activity, that is, mail fraud, in violation of Title 18, United States Code, Section 1341, with the intent to conceal and disguise the nature, location, source, ownership, and control of such property believed to be proceeds of specified unlawful activity.

In violation of Title 18, United States Code, Sections 1956(a)(3)(B) and 2.

COUNT FOUR

(BANK BRIBERY)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations set forth in paragraphs 1 and 2 of Count One are realleged here.

2. On or about April 1, 2004, after being told by a cooperating witness ("CW") that a friend, an undercover agent ("UCA") of the Federal Bureau of Investigation, was looking for financing for a condominium at the New Jersey shore, defendant CRAIG J. SCHER and James Bell, Jr. agreed to arrange the financing with Nova Savings Bank ("NSB") for a fee of "five points."

3. On or about June 9, 2004, defendant CRAIG J. SCHER reduced the "points" that he and James Bell, Jr. wanted for arranging the financing from "five points" to "three points" and told the CW to tell the UCA to "hit him with three off, and we'll charge him no points from the bank." In addition, defendant SCHER told the CW that the points had to be paid in cash to James Bell, Jr.

4. On or about August 16, 2004, defendant CRAIG J. SCHER provided the UCA with an NSB loan application and defendant SCHER and James Bell, Jr. accepted $6,000 in cash from the UCA.

5. From on or about April 1, 2004, to on or about August 16, 2004, in the Eastern District of Pennsylvania, and elsewhere, defendant

CRAIG J. SCHER,

being an officer and employee of NOVA Savings Bank, a financial institution, corruptly solicited and accepted something of value for his benefit and that of James Bell, Jr., that is, $6,000 in cash, intending to be influenced and rewarded in connection with a transaction of NOVA Savings Bank.

In violation of Title 18, United States Code, Section 215(a)(2).

COUNT FIVE

(AIDING AND ABETTING BANK BRIBERY)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations set forth in paragraphs 1 and 2 of Count One and 2 through 4 of Count Four are realleged here.

2. From on or about April 1, 2004, to on or about August 16, 2004, in the Eastern District of Pennsylvania, and elsewhere, defendant

JAMES BELL, JR.

aided, abetted, and willfully caused the corrupt solicitation by Craig J. Scher, an officer and employee of NOVA Savings Bank, a financial institution, and accepted something of value for his benefit and that of Scher, that is, $6,000 in cash, intending for Scher to be influenced and rewarded in connection with a transaction of NOVA Savings Bank.

In violation of Title 18, United States Code, Sections 215(a)(2) and 2.

COUNT SIX

(BANK BRIBERY)

THE GRAND JURY FURTHER CHARGES THAT:

1. The allegations set forth in paragraph 1 of Count One are realleged here.

2. Defendant CRAIG J. SCHER assisted Donald Dougherty, Jr., charged elsewhere, in obtaining the following loans from Nova Savings Bank at a time when Dougherty had a low-credit score and was offering his creditors settlement on outstanding debts: a $735,000 loan in February 2003 for property located on South 25th Street, Sea Isle City, NJ; a $475,000 loan in June 2003 for Donald Dougherty to finance the construction and furnishing of his personal residence; a $675,000 loan in December 2003; a $300,000 loan in June 2004 for Donald Dougherty to finance commercial property; a $500,000 line of credit in October 2004; and, a $2,700,000 loan in October 2005 for the construction of eight townhouses.

3. Beginning in or about November 2003 and continuing to August 2005, defendant CRAIG J. SCHER accepted electrical and other home improvement work, valued at approximately $9,476.74, at no charge from Donald Dougherty.

4. In or about January 2005, defendant CRAIG J. SCHER accepted four Super Bowl tickets and weekend accommodations in a three-bedroom condominium in Amelia Island, Florida, valued at approximately $8,535.64, at no charge from Donald Dougherty.

5. From in or about November 2003, to in or about August 2005, in the Eastern District of Pennsylvania, and elsewhere, defendant

CRAIG J. SCHER,

being an officer and employee of NOVA Savings Bank, a financial institution, corruptly solicited and accepted something of value, that is, goods and services totaling approximately $18,012.38, intending to be influenced and rewarded in connection with the business of NOVA Savings Bank.

In violation of Title 18, United States Code, Section 215(a)(2).

FIRST NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1956, set forth in this indictment in Counts One, Two, and Three, defendants

CRAIG J. SCHER,
JAMES BELL, JR., and
MICHAEL SINKO

shall forfeit to the United States of America any and all property involved in such offenses, and any property traceable to such property, including, but not limited to, the sum of $30,000 (recovered by the FBI on or about February 24, 2006).

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982.

SECOND NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 215(a)(2), as set forth in Counts Four and Five of this indictment, defendants

CRAIG J. SCHER and
JAMES BELL, JR.

shall forfeit to the United States of America any property that constitutes or is derived from proceeds obtained directly or indirectly, as a result of the commission of such offenses, including, but not limited to:

2. The sum of $6,000 obtained in the bank bribery offense charged in Counts Four and Five.

3. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other

property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(2).

THIRD NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 215(a)(2), as set forth in Count Six of this indictment, defendant

CRAIG J. SCHER

shall forfeit to the United States of America any property that constitutes or is derived from proceeds obtained directly or indirectly, as a result of the commission of such offenses, including, but not limited to:

(a) The sum of $9,476.74, representing the value of the electrical and home improvement work, as charged in Count Six.

(b) The sum of $8,535.64, representing the value of the four Super Bowl tickets and accommodations in Amelia Island, Florida, as charged in Count Six.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other

property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(2).

A TRUE BILL:

_____

GRAND JURY FOREPERSON

_____

PATRICK L. MEEHAN
UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT

Eastern District of Pennsylvania

UNITED STATES OF AMERICA
V.

MICHAEL SINKO

JUDGMENT IN A CRIMINAL CASE

Case Number: DPAE2-07CR000703-003

USM Number: 62717-066

Jeffrey C. Zucker, Esq.
Defendant's Attorney

THE DEFENDANT:

☐ pleaded guilty to count(s) _____

☐ pleaded nolo contendere to count(s) _____
which was accepted by the court.

X was found guilty on count(s) 1 and 3
after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

Title & Section	Nature of Offense	Offense Ended	Count
18:1956(h)	Money Laundering Conspiracy	December 2005	1
18:1953(a0(3)(B)	Money Laundering	December 2005	3

The defendant is sentenced as provided in pages 2 through 6 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

X The defendant has been found not guilty on count(s) 2

☐ Count(s) _____ ☐ is ☐ are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

August 6, 2009
Date of Imposition of Judgment

Signature of Judge

Legrome D. Davis, United States District Court Judge
Name and Title of Judge

August 10, 2009
Date

A TRUE COPY CERTIFIED TO FROM THE RECORD
DATE SEP 9 2009
ATTEST: Steve Town
DEPUTY CLERK, UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

[redacted]

Exhibit B

DEFENDANT: MICHAEL SINKO
CASE NUMBER: DPAE2-07CR000703-003

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of:

30 Months

X The court makes the following recommendations to the Bureau of Prisons:
The Court recommends that the defendant be placed in a federal correctional institution as close to the Eastern District of Pennsylvania as classification will allow.

☐ The defendant is remanded to the custody of the United States Marshal.

☐ The defendant shall surrender to the United States Marshal for this district:

☐ at _____ ☐ a.m. ☐ p.m. on _____.

☐ as notified by the United States Marshal.

X The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

X before 2 p.m. on August 27, 2009.

X as notified by the United States Marshal.

☐ as notified by the Probation or Pretrial Services Office.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____

a _____, with a certified copy of this judgment.

_____
UNITED STATES MARSHAL

By _____
DEPUTY UNITED STATES MARSHAL

DEFENDANT: MICHAEL SINKO
CASE NUMBER: DPAE2-07CR000703-003

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of:

3 Years.

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.

☐ The above drug testing condition is suspended, based on the court's determination that the defendant poses a low risk of future substance abuse. (Check, if applicable.)

X The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon. (Check, if applicable.)

X The defendant shall cooperate in the collection of DNA as directed by the probation officer. (Check, if applicable.)

☐ The defendant shall register with the state sex offender registration agency in the state where the defendant resides, works, or is a student, as directed by the probation officer. (Check, if applicable.)

☐ The defendant shall participate in an approved program for domestic violence. (Check, if applicable.)

If this judgment imposes a fine or restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page.

STANDARD CONDITIONS OF SUPERVISION

1) the defendant shall not leave the judicial district without the permission of the court or probation officer;
2) the defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month;
3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
4) the defendant shall support his or her dependents and meet other family responsibilities;
5) the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
9) the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
11) the defendant shall notify the probation officer within seventy-two hours of being arrested by a law enforcement officer;
12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court; and
13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

DEFENDANT: MICHAEL SINKO
CASE NUMBER: DPAE2-07CR000703-003

ADDITIONAL STANDARD CONDITIONS OF SUPERVISION

The defendant shall make available to the United States Probation Department all financial documents including all yearly tax returns. The defendant is not permitted to open any lines of credit or credit cards without the permission of the United States Probation Department.

DEFENDANT: MICHAEL SINKO
CASE NUMBER: DPAE2-07CR000703-003

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	Assessment	Fine	Restitution
TOTALS	$ 200	$ 50,000	$

☐ The determination of restitution is deferred until _____. An *Amended Judgment in a Criminal Case* (AO 245C) will be entered after such determination.

☐ The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

Name of Payee	Total Loss*	Restitution Ordered	Priority or Percentage

TOTALS	$ 0	$ 0

☐ Restitution amount ordered pursuant to plea agreement $ _____

☐ The defendant must pay interest on restitution and a fine of more than $2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

☐ The court determined that the defendant does not have the ability to pay interest and it is ordered that:

☐ the interest requirement is waived for the ☐ fine ☐ restitution.

☐ the interest requirement for the ☐ fine ☐ restitution is modified as follows:

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: MICHAEL SINKO
CASE NUMBER: DPAE2-07CR000703-003

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties are due as follows:

A X Lump sum payment of $ 50,200 due immediately, balance due

X not later than August 13, 2009, or
☐ in accordance ☐ C, ☐ D, ☐ E, or ☐ F below; or

B ☐ Payment to begin immediately (may be combined with ☐ C, ☐ D, or ☐ F below); or

C ☐ Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of $ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or

D ☐ Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of $ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or

E ☐ Payment during the term of supervised release will commence within _____ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or

F ☐ Special instructions regarding the payment of criminal monetary penalties:

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the clerk of the court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☐ Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

☐ The defendant shall pay the cost of prosecution.

☐ The defendant shall pay the following court cost(s):

☐ The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.