



U.S. Department of Justice

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FOR IMMEDIATE RELEASE

September 9, 2019

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PRESS RELEASE

**STATEN ISLAND ATTORNEY RICHARD LUTHMANN SENTENCED TO
FOUR YEARS IN PRISON FOR FRAUD AND EXTORTION CONSPIRACIES**

Richard Luthmann, an attorney licensed by the State of New York, was sentenced today by United States District Judge Jack B. Weinstein to four years' imprisonment for his convictions on one count of wire fraud conspiracy and one count of extortion conspiracy. Luthmann was also ordered to pay \$500,000 in restitution and \$130,000 in forfeiture. Luthmann pleaded guilty to the charges on March 18, 2019.

Richard P. Donoghue, United States Attorney for the Eastern District of New York, William F. Sweeney, Jr., Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), and Jonathan Carson, Special Agent-in-Charge, U.S. Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, New York Field Office, announced the sentence.

"With today's sentence, Luthmann has been held accountable for using his law practice as a launching pad for his schemes to defraud businesses in the United States and abroad, and to extort a former client, all for the purpose of lining his pockets," stated United States Attorney Donoghue. Mr. Donoghue extended his appreciation to the Department of Homeland Security, Homeland Security Investigations, the New York City Police Department and the Social Security Administration for their assistance in the investigation.

"Our legal system works because everyone believes attorneys are going to be honest brokers of justice. Mr. Luthmann's actions, defrauding and extorting his victims, chip away at the foundations of that system and cannot be tolerated," stated FBI Assistant Director-in-Charge Sweeney. "The FBI New York Joint Organized Crime Task Force did an outstanding job in this investigation stopping a criminal who thought he could use his knowledge of the law to skirt it."

"This successful prosecution is the result of outstanding collaborative efforts by the Office of Export Enforcement, the FBI, the Justice Department and our other law enforcement partners," stated Department of Commerce Special Agent-in-Charge Carson.

“Engaging in export fraud scams and falsifying export records are matters we take seriously. We will continue to pursue violators who jeopardize fair and secure trade.”

In the summer of 2015, Luthmann and his co-conspirators formed multiple shell companies, ostensibly to sell scrap metal and recycled products to U.S. and foreign customers. Rather than conducting legitimate scrap metal businesses, the conspirators deceived customers by contracting to sell them scrap metal, receiving payment on their orders and then intentionally failing to make delivery of the material. After an aggrieved customer threatened to report Luthmann and his co-conspirators to the police, the conspirators changed tactics and began shipping worthless filler materials, including concrete and road barriers to customers who had contracted to buy valuable copper and other scrap metal. In the course of a few months in 2015, Luthmann and his co-conspirators made more than \$500,000 in fraudulent sales.

In an effort to conceal the fraudulent scheme, Luthmann registered the shell companies with the New York Department of State, recruited a client of his law practice, who was blind and living on public assistance, to be the nominal president of one of the shell companies and directed payments from the fraudulent sales through his law firm’s accounts. Luthmann and his co-conspirators then split the fraud proceeds at Luthmann’s law office.

In December 2016, Luthmann and his co-conspirators began an extortion scheme directed at one of his former clients, who had participated in the scrap metal fraud. Luthmann invited the former client to meet at his law office in Staten Island, ostensibly to sign legal paperwork. Luthmann was not present when the former client arrived, but two of his co-conspirators were. One of them threatened the former client with what appeared to be a handgun and demanded the \$10,000 owed.

The government’s case is being handled by the Office’s Organized Crime and Gangs Section. Assistant United States Attorney James P. McDonald is in charge of the prosecution.

The Defendant:

RICHARD LUTHMANN
Age: 39
Staten Island, New York

E.D.N.Y. Docket No. 17-CR-664 (JBW)