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October 6, 2011

NEWARK, N.J. – The owner of a purported medical equipment company based in New Jersey pleaded guilty today in connection with his role in a \$135 million phony lease scheme, U.S. Attorney Paul J. Fishman announced.

Bruce Donner, 52, of Berkeley Heights, N.J., owner of Donner Medical Marketing Inc., a New Jersey corporation that purported to be a medical equipment vendor, admitted his role in assisting Charles Schwartz, 58, of Sparta, N.J., owner and president of Allied Health Care Services Inc., execute a \$135 million phony lease scheme that caused losses of more than \$80 million and victimized more than 50 financial institutions.

Donner pleaded guilty to one count of mail fraud before U.S. District Judge Susan D. Wigenton in Newark federal court. Sentencing is scheduled for Jan. 11, 2012.

According to documents filed in this case and statements made in Newark federal court:

From at least 2002 through July 2010, Schwartz requested medical equipment invoices from Donner. Donner would, in turn, provide invoices that falsely stated Donner Medical was providing medical equipment to Allied when no such medical equipment was ever provided by Donner Medical to Allied.

Schwartz, through Allied, then convinced financial institutions to pay more than \$135 million by telling them the money would be used to lease valuable medical equipment. Schwartz used Donner Medical's phony supplier invoices to convince the financial institutions to enter into leasing arrangements. The financial institutions purchased the medical equipment –which they immediately leased to Schwartz and Allied – and sent payment for the medical equipment to Donner Medical. Throughout the scheme, Donner and Schwartz undertook efforts to deceive bank examiners who sought at various times to inspect the non-existent medical equipment, which had been purchased by the financial institutions.

Donner admitted today that after receiving the money from the financial institutions, he forwarded 95 to 97 percent of the money to an entity created by Schwartz to facilitate the fraud. The remainder of the funds Donner kept for himself as a commission. Donner also admitted today that more than 50 victim financial institutions were harmed as a result of the scheme.

The mail fraud charge to which Donner pleaded guilty carries a maximum penalty of 20 years in prison and a fine of \$250,000 or twice the gross gain or loss from the offense.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, for the investigation that resulted in today's guilty plea.

The government is represented by Assistant U.S. Attorneys Joseph Mack and Jacob T. Elberg of the U.S. Attorney's Office Health Care and Government Fraud Unit in Newark.

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Defense Counsel: Keith N. Biebelberg Esq., Millburn, N.J.

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