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**LEADER AND KEY ASSOCIATE IN MULTI-MILLION DOLLAR
MARIJUANA RING CONVICTED IN MANHATTAN FEDERAL COURT**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that MARC MUNSON and PAUL KARKENNY were convicted late yesterday in Manhattan federal court, following a three week jury trial, on charges of conspiring to distribute over 1,000 kilograms of marijuana. According to documents filed in this case and the evidence presented at trial before United States District Judge JOHN G. KOELTL:

From 1997 through February 2004, MARC MUNSON and PAUL KARKENNY participated in a conspiracy to distribute approximately 50,000 pounds of marijuana. MUNSON ran the New York end of the operation ("the MUNSON Organization" or "the New York Operation"), which ordered loads of marijuana that had been smuggled into the United States from Mexico. MUNSON and KARKENNY would then work with co-conspirators based in Tucson, Arizona and Las Vegas, Nevada to have the marijuana transported to the New York City metropolitan area, the Detroit, Michigan metropolitan area, and elsewhere.

The loads of marijuana secretly transported across the country ranged in size from approximately 200 pounds to approximately 4,500 pounds per shipment. The MUNSON Organization transported the smaller shipments in SUVs, and for larger shipments would arrange for heavy-duty pickup trucks towing enclosed trailers, such as race-car trailers decorated with "Speed Racer Autosport" logos, to help disguise the true nature of the trips. In the latter stages of the conspiracy, the MUNSON Organization occasionally transported the marijuana in commercial moving trucks.

During these trips, the MUNSON Organization often used decoy cars to attract police attention so that the vehicles

carrying the loads of marijuana could travel undisturbed and undetected. In addition, the MUNSON Organization would often use pairs of transporters to make it appear that the occupants of a vehicle were a couple moving across the country.

MUNSON -- who lived in Brooklyn, New York, East Hanover, New Jersey, and Holmdel, New Jersey during the course of the conspiracy -- was the principal contact in the New York area for the Mexican suppliers and the other co-conspirators based in Arizona who handled the transporting arrangements. MUNSON also used Mexican suppliers who operated stash houses in Las Vegas, Nevada as a second marijuana supply source to the New York Operation.

In his capacity as the head of the New York Operation, MUNSON, among other things: (1) coordinated the size of marijuana shipments to the New York City metropolitan area and elsewhere; (2) instructed the transporters of the marijuana shipments where to deliver the loads; (3) set the price of marijuana per pound that the wholesale customers would have to pay to the MUNSON Organization; (4) determined which wholesale customers would receive what portions of a load for distribution; (5) gave money to transporters to bring back to co-conspirators in Arizona and Nevada to pay for the marijuana; and (6) paid transporters for their services in delivering the marijuana.

KARKENNY used his homes in Amityville, Long Island and in Mt. Pocono, Pennsylvania, to stash large quantities of marijuana for the MUNSON Organization. KARKENNY received two shipments of more than 1,000 pounds of marijuana each in the summer of 1997 when living Amityville, and after moving to the Poconos that fall, began to receive multi-thousand-pound shipments of marijuana, including one shipment of approximately 4,500 pounds. KARKENNY stored the boxes of marijuana in his basement. MUNSON paid KARKENNY to operate the stash houses and to break down the large loads of drugs into smaller loads that KARKENNY would then deliver to wholesale customers in New York City on MUNSON's behalf. During the course of the conspiracy, KARKENNY received more than 25,000 pounds of marijuana at his homes.

MUNSON used his profits to invest in expensive homes, real estate ventures, and restaurants in New Jersey.

MUNSON and KARKENNY each face a maximum term of life in prison on the conspiracy count for which they were convicted, and a mandatory minimum sentence of 10 years in prison.

Four other members of the Munson Organization -- STEVEN VALIANT, MITCH RINGQUIST, WILLIAM RIGMAIDEN, and TIFFANY NEUMANN -- pleaded guilty before trial and await sentencing. Two other

indicted co-conspirators, LOUISE KARKENNY and PERRY CHRYSANTHOPOULOS, remain at large.

Sentencing for MARC MUNSON and PAUL KARKENNY is scheduled for September 19, 2008, at 10:00 a.m. before Judge KOELTL.

Mr. GARCIA praised the investigative work of the Drug Enforcement Administration ("DEA"), and thanked the United States Attorney's Office for the Eastern District of Michigan and the DEA Detroit Field Division for their cooperation and assistance in this investigation.

Assistant United States Attorneys JASON P.W. HALPERIN and KENNETH A. POLITE are in charge of the prosecution.

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