

A8 FRIDAY, JULY 2, 2004

FROM PAGE A1

THE CINCINNATI ENQUIRER

Erpenbeck: Tony gets 70 months; Lori, a year

From Page A1

It could no longer juggle \$33.9 million in unpaid construction loans. More than a dozen of its real estate developments, in Greater Cincinnati were abandoned. Suppliers, subcontractors, banks and other creditors were left with detailed bills and loans, while almost 300 home buyers faced the threat of foreclosure.

Lori Erpenbeck's willingness to wear a transmitter in February enabled the FBI to pin her 69-year-old father and her 43-year-old brother with witness-tampering convictions. Lori, 41, left the courtroom Thursday as Spiegel sentenced Tony Erpenbeck. Her lawyer, Patrick Hanley, said she has paid a high price for her disloyalty to the family estrangement from all but her brother Gary and her aunt Linda Rager.

"She has been threatened, she has been bribed, and she has been browbeaten all of her life," Hanley said in court. "That played a role in this case."

Told that women 'subservient'

Rager said Tony Erpenbeck taught her as a child that women are "subservient" to men. She said Tony told her that she was "not good enough, not pretty enough, not strong enough and not smart enough to do anything."

Federal prosecutors asked Spiegel to lower Lori Erpenbeck's sentence in exchange for her extensive cooperation. He did, giving her one year and one day for one count of bank fraud. She had faced the possibility of nine years. Spiegel recommended that she serve her time at a federal camp in Lexington.

The two-hour hearing began on a bizarre note with Spiegel's revelation that he was the subject of a rumored contract hit by Tony Erpenbeck. He told the courtroom that the U.S. Marshal's Service notified him June 16 of the rumor from the Kentucky jail where Erpenbeck has been held since Feb. 5. After some investigation, he wrote it off as unfounded. He declined to withdraw from the case at the suggestion of Erpenbeck's lawyer, Ed McTigue.

"I was just concerned for the safety of my family," Spiegel said.

Begging for mercy

Tony Erpenbeck was arrested Feb. 5 as he and Bill pressured Lori Erpenbeck to change her account of Bill's role in the bank fraud at a sentencing hearing. Tony urged her not to "bury" Bill and to absorb more of the blame in the fraud.

Faced with the prospect of spending more than five years in prison, Tony, also a former home builder, begged Spiegel for mercy.

"This is the worst day of my life," he said, sobbing. "I am very, very sorry for what I have done, and the choices I have made. ...

"If I get any kind of sentence whatsoever, it'll be a death sentence. I would like to have a chance to go back home and rebuild my life," he said, adding that he did not threaten the judge.

McTigue argued in vain for a lesser sentence.

"What he did was simply to try to find a soft landing spot for both of his children," McTigue said. "It's what any father would do. ... He wasn't making good, clear decisions."

Spiegel wasn't moved. He ordered Erpenbeck to spend 70 months in prison and pay a \$2,000 fine. He agreed to recommend that he be held at the federal prison hospital in Lexington.

Closing agent sentenced

The third defendant, Michelle Marksberry, served as the Erpenbeck Co.'s chief closing agent for home sales. She, too, was given credit for assisting federal investigators. Facing the possibility of three to five years in prison for one count of bank fraud, Marksberry, 34, received two.

"I can't express my shame and how sorry I am," she said tearfully.

"Bill Erpenbeck was a male dominant figure in my life who I trusted and respected," she said. "He told me to do what I did, and I didn't have the courage or strength to walk away."

Spiegel ordered both Marksberry and Lori Erpenbeck to pay \$16.4 million in restitution to Peoples Bank of Northern Kentucky, which was driven out of business in November 2002 by its exposure to detailed Erpenbeck loans and other liabilities. They were also ordered to pay \$5 million to Peoples insurance company, Ohio Casualty Corp., and \$2.54 to Kenwood Savings Bank, now part of Peoples Community Bank.

Assistant U.S. Attorney Kathleen Briakman was pleased with the sentences and Spiegel's willingness to ease up on Lori Erpenbeck and Marksberry.

"We're satisfied that the judge understood the value of their assistance," she said.

Marksberry and Lori Erpenbeck were given until Aug. 2 to report to their assigned prisons.

Staff writer Justin Fenton contributed to this report.
E-mail: jfenton@enquirer.com

'This is the worst day of my life. I am very, very sorry for what I have done and the choices I have made. ... If I get any kind of sentence whatsoever, it'll be a death sentence. I would like to have a chance to go back home and rebuild my life.'

Tony Erpenbeck

Key figures in the Erpenbeck case

Three family members and three associates stand convicted on charges connected to the bank fraud or its aftermath. Three other Erpenbeck family members remain under investigation.

Bill Erpenbeck
Former president and co-owner of the Erpenbeck Co. Pleaded guilty to bank fraud and witness tampering. Now serving 30 years at a low-security federal prison in Coleman, Fla.



Lori Erpenbeck
Former Erpenbeck Co. accounting department employee and Bill's only sister. Pleaded guilty to bank fraud and helped the FBI catch Bill and Tony in the act of witness tampering. Sentenced to a year and a day.



John Finnan
Founding president of the defunct Peoples Bank of Northern Kentucky. Pleaded guilty to bank fraud, misapplication of funds and making false loan statements. Scheduled to be sentenced Oct. 23.



Marc Menne
Former executive vice president of Peoples Bank of Northern Kentucky. Pleaded guilty to bank fraud, misapplication of funds and making false loan statements. Scheduled to be sentenced Oct. 23.



Tony Erpenbeck
Bill and Lori's father and retired home builder. Pleaded guilty to witness tampering. Sentenced to 5 years, 10 months.



Michelle Marksberry
The Erpenbeck Co.'s lead agent for home-sale closings. Pleaded guilty to bank fraud. Sentenced to 2 years.



Gary Erpenbeck
Co-owner of Erpenbeck Co. and a brother of Bill. Under investigation.



Jeff Erpenbeck
Co-owner of Erpenbeck Co. and a brother of Bill. Under investigation.



Not pictured: Rick Erpenbeck Provided outside legal work for the Erpenbeck Co. Under investigation.

Source: Enquirer research

The Enquirer/KELLY FLOYD

Join in
AurGroup
FINANCIAL
CREDIT UNION
Glitz!

High Hats & Narrow Collars
White Spats & Lots of Dollars

Clipped By:



jerriwilliamsauthor
Wed, Oct 31, 2018