

Ontario Lawyer Couple Accused in \$11 Million Fraud Scheme



Summary: A Whitby, Ontario lawyer and her husband are among those accused of running a scam that defrauded lenders of around \$11 million.

A dozen people have been accused of playing a role in a scheme that has defrauded lenders of around \$11 million. A Whitby lawyer and her husband are among those accused.

A joint venture between the Toronto police, RCMP, and other agencies in what is referred to as Project Briscola uncovered a fraudulent enterprise that had been running since 2014. They announced the 96 charges and arrests of 12 suspects on Wednesday.

Toronto police Detective Rick Ramjattan said the suspects “produced false information to obtain leases and loans.” Those participating worked to obtain financing by acting as representatives of companies in need of equipment and as suppliers giving quotes for high-priced equipment. A total of 16 lease arrangements were made for a total loss of \$11 million.

Of those arrested were two Durham region residents. Giuseppe (Joe) Gatti, 48, of Ajax and his wife Taragh Bracken, 47, of Whitby are believed to be key participants in the scheme. Police charged Gatti with 14 counts of fraud and one count of participating in a criminal organization. Bracken was charged with 14 counts of fraud over \$5,000. Ramjattan said, “We believe Joe Gatti was one of the main minds behind this. He utilized his wife to assist in hiding the proceeds.”

The investigation into the scheme began when Gatti was caught for impaired driving in 2015 in Toronto. The authorities found a suspiciously large amount of cash and credit cards issued to various names in his car.

Gatti has been accused of fraud before. The couple was named as defendants in 2012 in a lawsuit by the Bank of Montreal. The bank sued a U.S. businessman and his alleged Canadian associates, alleging that they lost \$20 million a “cheque kiting” scheme involving fraudulent checks. The lawsuit explained that the “cheque kiting” begins with the writing of a check pledging money that they don’t have. An accomplice cashes the check and immediately writes a check back to cover the overdrawn bank account before the check clears. Eventually, a complex circle builds of mostly fictional money and involving numerous people and companies or banks.

The bank claims that Gatti was involved by using the scheme to inflate the revenues of Toronto-based food companies known as the Loretta Group. The group fraudulently secured a \$20 million loan from the bank, putting them now on the receiving end of the money. The couple denied any part in the scheme. A year later, Gatti surrendered in New York State to American customs officers where he was wanted for bank fraud. He also surrendered to Toronto police and was charged with fraud over \$5,000 for a scheme he was involved in back in 2007 against the Royal Bank of Canada. He settled the allegations in a civil case for a “nominal” amount.

Bracken practices family law from her Whitby office. She graduated from the University College Dublin.

Based on Gatti’s history of fraud, would you assume he is involved in this fraudulent scheme as well? Tell us your thoughts in the comments below.

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