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September 24, 2006

Chapter One: Talents wasted on crime

BY KARYN SPENCER
WORLD-HERALD STAFF WRITER

Jim O'Gara buried his face in his palms and waited.

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He found himself hunched at a defense table, once again, while a judge considered his fate.

O'Gara's hair had grayed and his waist had thickened since his first sentencing 28 years earlier.

Since then, the Omaha man had swindled and stiffed lawyers and inmates, ostrich farmers and the federal government, bank officers and deep-sea divers, total strangers and his own wife.

When he was prosecuted, he often skirted the punishment his victims thought he deserved.

could be in prison for decades.

But his weapon of choice was charm.

He had persuaded one person after another to give him cash, shredding their careers, finances and self-esteem.

In all, he had taken more than \$4.4 million.

He had accumulated eight convictions for theft and fraud.

Yet this chronic criminal had spent only five years behind bars.

Until now.

He faced a return trip, courtesy of Marc Weber Tobias, an attorney who had put away his share of bad guys.

If O'Gara had robbed banks at gunpoint, he

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This time, it was personal.

He wanted to put O'Gara away for good.

"Would the defendant please stand?" the judge announced Aug. 1, 2005, in the stately, oak-paneled courtroom in Sioux Falls, S.D.

O'Gara's life wasn't supposed to turn out like this. He started his career as a lawyer married to a millionaire's daughter. Now, at 59, he was a criminal with no one but his defense attorney for support at his sentencing.

O'Gara planted his jailhouse flip-flops on the navy carpet and rose to be punished for his latest crime.



Investigative attorney Marc Weber Tobias pushed for Jim O'Gara to be prosecuted after getting taken by him. Tobias stands outside the historic pink quartzite federal courthouse in Sioux Falls, S.D., shortly after one of O'Gara's hearings in 2005.

Three years earlier, O'Gara and Tobias had forged a partnership that was supposed to end in profits, not prison.

Tobias was a swaggering investigative attorney with a thatch of graying curls. He analyzed locks, investigated fraud and handled other assignments through his Sioux Falls firm.

Businessmen who hoped to open casinos in Mexico had hired him as a security consultant. They later made him a minor partner in the project.

The group needed a broker to find financing.

Tobias thought he knew just the guy.

O'Gara, his thick swoop of silvery hair exuding experience, had been presenting himself as an Omaha partner with SBF Inc., with associates in Chicago, Dallas, Phoenix and elsewhere.

O'Gara offered up SBF's credentials: The company, established in 1938, had a network of investors waiting to pump millions into juicy business deals. The partners used Akin Gump - you know, the powerhouse San Francisco law firm.

He could make deals happen - *bada bing, bada bang* - as he liked to say.

If only he were telling the truth.

Tobias and O'Gara discussed the casino deal over a white tablecloth at the upscale Flatiron Cafe, snug in the wedge of a historic building on downtown Omaha's fringe.

O'Gara, sipping his usual vodka on the rocks, mesmerized everyone within reach, interrupting his spiel to ask the waiter: *How are you?*

He peppered his conversation with a *Who's Who* of Omaha. Of course, he couldn't talk about their projects in detail.

Confidentiality agreements . . . you understand.

Tobias didn't think he needed more references, anyway.

He knew that O'Gara was working on financing for another Sioux Falls firm. A lawyer Tobias knew had recommended O'Gara for that project.

The dinner companions seemed to have plenty in common.

Tobias was a Creighton Law alum. O'Gara said he had graduated from the University of Chicago's law school, still got to the Windy City all the time to close deals.

The middle-aged men one-upped each other with tales.

Tobias bragged about catching killers as an assistant attorney general in South Dakota in the '70s. O'Gara boasted he had one fund that wouldn't touch deals less than \$75 million.

When they got down to business that evening in early 2002, Tobias explained that his Mexican casino project would need \$50 million, maybe more.

O'Gara's earnest brown eyes looked into Tobias'.

Not a problem.

He needed \$30,000 for "due diligence," a thorough examination of the project's legal and financial elements for potential financiers.

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Tobias took the bait and wired the money.

* * *

O'Gara kept talking. Spring passed, then summer.

Tobias kept in touch with the other Sioux Falls executive using O'Gara for financing.

When the exec mentioned that O'Gara had missed his financing deadline, Tobias' woolly eyebrows furrowed.

Something was screwy.

Tobias switched from investor to investigator.

He began a belated computer background search, which he had skipped because of assurances from others.

The world, he learned, has a lot of Jim O'Garas.

Trying to find the right one, he asked an associate in Omaha to search government records there.

On dull gray bookshelves tucked into a corner at the Douglas County Register of Deeds, a worn leather binder held one of James C. O'Gara's secrets.

A lien for a \$5,000 court fine.

O'Gara had omitted one of his credentials.

Criminal.

Tobias began to burn.

He was used to having the upper hand.

He got hired to ferret out fraud at businesses and make the guilty crumble during polygraph tests.

He taunted lock manufacturers by making videos exposing flaws in their products, then posting them online and notifying news media.

Now an ex-con had talked Mr. Security Expert out of 30 grand.

Oh, you idiot, Tobias groaned to himself.

And he vowed to unravel the Jim O'Gara story.

* * *

The Jim O'Gara story began 34 years earlier, back when he was a promising first-year law student.

The 22-year-old charmer with a broad smile had a bachelor's in business administration under his belt and a ring on his finger.

He had married Roxanne Wiebe in 1967, during their senior year at the University of Nebraska in Lincoln.

That was the same year stores began opening at Westroads, developed by O'Gara's new father-in-law, Omaha mall pioneer John Wiebe. At the time, the shopping center was one of the nation's largest.

O'Gara enrolled in NU's College of Law, following his uncle Joseph and cousin Robert, both Lincoln lawyers.

Other students soon claimed Jim O'Gara was cheating on tests. Class president Pete Smith thought O'Gara was too smart to risk an ethical breach that would snuff his career.

Smith positioned himself a few rows behind O'Gara during a final exam.

The accusations were confirmed. Smith strode up and swiped O'Gara's crib sheet.

The school disciplinary committee held confidential hearings to decide the punishment.

O'Gara wasn't kicked out for good. He got only a one-year suspension.

A proven cheat would be allowed to finish law school.

O'Gara made good use of his unexpected year off, strolling over to the business school to pick up a master's degree.

In 1971, he left the university armed with three degrees, schooled in the fundamentals of business and law.

* * *

O'Gara packed up his wife of four years and their baby boy after graduation.

The family moved to Columbia, a college town in central Missouri, where O'Gara had landed his first job as an attorney.

They joined Trinity Lutheran Church, his wife's denomination. O'Gara, who grew up Catholic, became church treasurer.

He got involved in a plan to build a 300-lot lakeside housing development.

Soon the state bar began investigating a litany of laziness and lies.

Within four years of graduation, O'Gara had been fired from one law firm, then a second.

In five cases, O'Gara told clients and colleagues he had filed legal paperwork when he hadn't.

Clients gave him money, ranging from \$40 to \$268, to pay their fees and fines. He pocketed it.

O'Gara, serving as part-time city prosecutor for a nearby town, missed a court session, he said, because a car had rolled over his son. "There wasn't a word of truth in it," he later confessed.

As one client put it: "He was always so full of bull."

The coup de grace: When O'Gara wanted to delay a trial, **he lied under oath in an affidavit**, saying he had another hearing that day.

When the opposing lawyer confronted him, O'Gara conceded.

"I have lied enough."

His life exploded.

He was charged with a misdemeanor for the false affidavit.

The housing development plan deteriorated into dueling court allegations.

Church leaders questioned him about a missing \$8,500.

O'Gara blamed a heavy workload, a troubled marriage and undisclosed psychiatric problems.

A judge who oversaw the Missouri Supreme Court hearings on the bar complaint recommended psychiatric treatment.

O'Gara's difficulties "seem to be related to behavioral traits and personality problems," wrote the judge, who also recommended suspending him for a year.

Others wanted O'Gara disbarred. **The Missouri Bar** and the **local editorial page** argued that he tainted a profession already criticized.

"This series of violations over a period of several years, with an admitted history of untruthfulness extending over an even greater period, offers little hope," the bar attorneys wrote.

In the end, O'Gara pre-empted the decision by surrendering his license. It was crossed out with a large X and marked:

"Cancelled 4/4/77."

In the midst of the bar scandal, O'Gara **filed a counterclaim in the housing lawsuit.**

His good reputation had been slandered, he alleged, demanding \$6.6 million in damages.

"James C. O'Gara had a good and long-standing reputation for honesty and integrity," O'Gara wrote about himself in his counterclaim, "and for conducting his business pursuant (sic) to good legal principals (sic) consistently applied, and for fair and even-handed and honest treatment of those with whom he dealt."

The entire housing lawsuit was dismissed on a technicality.

Church leaders decided to forgive O'Gara and forgo criminal charges after he repaid them with interest.

A judge was less tolerant of the false affidavit, fining O'Gara \$500.

"The money involved is but a token," O'Gara's lawyer told that judge. "The punishment will be with Mr. O'Gara all his life."

Hardly.

* * *

Monday: Jim O'Gara rebounds.

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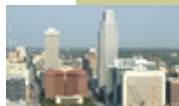
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Published Monday
September 25, 2006

Chapter Two: Betrayal rips marriage apart

BY KARYN SPENCER
WORLD-HERALD STAFF WRITER

Ejected from the legal profession for lying and stealing in Missouri, Jim O'Gara should have returned to Nebraska as a disgrace.

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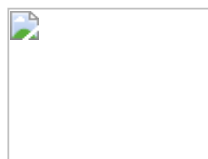
Instead, he became a banker.

In 1977, the 30-year-old found work downtown inside the white marble walls of Omaha National Bank and later was promoted to second vice president.

Jim and his wife, Roxanne, pregnant with their third child, moved into a new house in Harvey Oaks, near 144th Street and West Center Road, carved out of fields on the city's edge.

PHOTO GALLERY

- » The con game



O'Gara led the neighborhood Cub Scout troop and coached a youth soccer team. He was chosen for the first class of Leadership Omaha, the Chamber of Commerce program that nurtures businesspeople with promising futures.

"He was married to a millionaire's daughter," said real estate agent Kurt Geschwender, a friend from that era. "Had a great, outgoing personality, disarming and charming. He knew just how to work people."

O'Gara left the bank and bought a Council Bluffs furniture factory, General Wood Works, in 1982.

About 100 employees built unfinished furniture for big retailers and the company's own store, Bare Necessities near 84th Street and West Center Road in Omaha.

On loan and credit applications, O'Gara claimed a net worth of \$8.4 million and still listed his occupation as attorney, despite his disbarment.

The O'Garas built a half-million-dollar house in the tony Regency subdivision. It was practically in the shadow of Westroads, the mall created by Roxanne's father, John Wiebe.

But O'Gara could not maintain the facade for long.

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He had slipped quietly into his latest career.

Fraud.

"I had concocted," he said under oath, "the most elaborate system of total and out-and-outright lies and deception in the world."

* * *

O'Gara had taken a 50-year-old company and run it into the ground in three.

Part of the problem, one worker said, was a decision to switch from soft to harder woods without upgrading machines.

The change meant machines often broke down, which meant less furniture, which meant missed deadlines, which meant penalties to pay, which meant no money for lumber, and so on.

Paychecks became erratic. The employee recalled O'Gara begging workers: "Please don't leave - dah-dah-DAH-di-dah," she said, in a mocking singsong. "Keep the faith, keep the faith."

At the end of June 1985, he had the last handful of employees load three semis with equipment and goods that served as collateral for his purchase of the company. The previous owners, whom he owed more than \$80,000, said he shipped the property to St. Louis to hide it from them.

O'Gara padlocked the factory. He had no money to repay his business loans.

In fact, he had lied to get them.

* * *

The next week, on the steamy eve of the Fourth of July, O'Gara settled into a ninth-floor law office in the Woodmen Tower, downtown Omaha's stalwart skyscraper and home of the bank where he once worked.

He and his wife of 17 years had split up days earlier as his latest round of deceit threatened to drag her down with him.

Most men in his position would have run from their wives' attorneys.

O'Gara volunteered to talk.

Attorneys Terry O'Hare and Michael Mullin expected the after-hours interview to take an hour or two.

O'Gara wrapped up eight hours later.

This was his version of how he got into this mess:

As he sought loans for his new business, he claimed, some bankers had demanded that his wife, who had a family trust fund, guarantee them. If the business failed to repay, banks could tap her money.

O'Gara thought his wife wouldn't agree, so he took a shortcut.

He forged her signature.



General Wood Works was based at this factory at 1101 S. 20th St. in Council Bluffs when Jim O'Gara bought it in 1982. It closed in 1985, with O'Gara deeply in debt.

"You have to understand, that when I would sign her name, it would upset me terribly," he told the lawyers as a stenographer typed away. "I mean, I would get physically sick for two or three days."

Initially, he expected to be able to repay the loans.

Instead, General Wood Works began to struggle, he said, because of mismanagement by others. By spring 1984, it was saddled with overdrawn accounts and unpaid bills.

For the next year, bankers clawed and

threatened to sue.

"Astronomical pressure," the 39-year-old described.

The pressure mounted at 3:26 p.m. April 22, 1985.

A visitor cruised by luxury homes in the Regency neighborhood, pulling up to the brand-new O'Gara abode, a 4,800-square-foot, brick classic on Ascot Drive.

This was no welcome wagon.

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A private investigator greeted Roxanne with a lawsuit.

State Bank and Trust in Council Bluffs wanted \$810,000 back.

Roxanne didn't know the loan existed, let alone that her husband had forged her name so her assets guaranteed repayment.

"That was a very embarrassing situation for her," O'Gara acknowledged to her lawyers.

O'Gara promised his wife he had a solution in the works to pay off the debts: a \$1 million loan from Wells Fargo in San Francisco.

He asked her for just one more thing.

A check for \$25,000.

He explained: He owed a lumber company that might sue, which might make Wells Fargo refuse the big loan, which they both needed to bail them out.

She agreed, but only if the payment went through their lawyer, Dean Jennings. "Jim, I can't trust you with money," O'Gara recalled her saying.

The plan worked perfectly.

A man calling himself Richard E. Krouzy of Pine Valley Lumber visited Jennings, signed a receipt and left with a bag of money.

Minutes later, in the parking lot, he gave the cash to O'Gara.

The lumber payment had been a ruse. And there was no Wells Fargo loan in the works.

O'Gara actually needed the money to repay a debt from Las Vegas loan sharks, hoping they then would loan him the million.

That week, O'Gara made time to consult a psychiatrist.

"I gave him real broad brush strokes, but I told him I had a request to borrow \$1 million in with some illegal source that Roxanne knew nothing about, and that Roxanne had no idea how bad our financial situation was, and that I had been lying to Roxanne 24 hours a day for at least six to eight months, and that I had been lying to her about business affairs ever since I got started with General Wood Works, and that I explained to the psychiatrist I was having a tremendous drinking problem, and that I wanted to work with him because I felt I really needed help in all areas."

The next Tuesday, his Vegas sources turned him down. He had too many creditors on his tail to get even an illegal loan.

Half an hour after the rejection, his wife confronted him. Their accountant knew nothing about a Wells Fargo loan. What was going on?

O'Gara confessed the bulk of his business disaster but held back one little detail.

A court judgment for \$810,000.

He had promised to get her removed from the State Bank and Trust lawsuit, but the judge had ruled first.

She didn't know it, but they were both on the hook.

She hired her own lawyers, who discovered that secret by the end of the week.

The marriage was over.

Altogether, O'Gara had forged his wife's name or lied about his assets to get more than \$3 million in loans from at least nine banks.

He also admitted to her lawyers he had snatched more than \$300,000 from his wife's personal accounts and their house mortgages. His company was sued or had liens filed against it for more than \$418,000 in unpaid bills.

O'Gara revealed he started each day with a six-pack.

"I've had a real problem facing myself in the mirror in the morning when I shave because I didn't like the fact that I was compromising every bit of ethics or morals or Christian belief I had trying to keep this company and this business running.

"And so I've done the most cowardly thing you can do, and that's run and hide in a bottle."

He finally concluded his statement to the attorneys at 1:50 a.m. on the Fourth of July.

One of them asked, in wrapping up, "Have you made any attempt to tell anything other than the truth in this entire statement?"

"Every statement I have made has been the truth," O'Gara said.

He pledged his honesty as he stayed in an Omaha hotel under a fake name.

Excerpts from Jim O'Gara's 226-page statement in 1985. He was being interviewed by Terry O'Hare and Michael Mullin, attorneys for his estranged wife, Roxanne O'Gara. Jim O'Gara's attorney, Dean Jennings, is also mentioned several times.

- **Jim O'Gara says he doesn't believe in bankruptcy.**
- **Jim O'Gara describes the depth of his financial problems, the lies he told his wife and the extent of his drinking problem.**

* * *

Tuesday: Jim O'Gara vows to change his ways.

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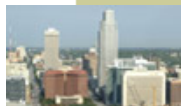




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Published Tuesday September 26, 2006

Chapter Three: Fighting to salvage his future

BY KARYN SPENCER WORLD-HERALD STAFF WRITER

Jim O'Gara made the same promise to one judge after another.



Police photo from 1985 arrest for unpaid Omaha hotel stay.

I am a changed man.

Within 2 1/2 years of his long-winded 1985 confession, he was convicted of crimes in three courts in the fallout from his business-gone-bad fraud.

O'Gara lined up impressive

supporters to write letters and testify for him, hoping to persuade judges to give him probation and community service instead of prison.

He admitted himself for inpatient alcoholism treatment and joined Alcoholics Anonymous.

His AA sponsor was Bart McEvoy, chief of staff for then-Omaha Mayor Bernie Simon by the time O'Gara was sentenced the third time.

"He has, on a daily basis, done whatever has been requested of him with one of his primary goals being to clear the wreckage of his past," McEvoy wrote in one letter.

O'Gara had forged his wife's name to get millions from banks, yet he managed to snare support from her sister, Barbara, and brother-in-law, Millard veterinarian Steven Wright.

"Pridefulness no longer holds him back from admitting where he's gone wrong," Barbara Wright wrote, "and Jim is trying to make amends."

O'Gara tapped the Nebraska Center on Sentencing Alternatives, part of a national push for punishment other than prison.

The center suggested weekend stays at a halfway house for three months, along with 1,300 hours of volunteer work.

The stunner: A man who ruined his own company offered to create a mentoring program for business owners through

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- The con game

After the fall

Jim O'Gara's allies promised judges he had changed after his business fraud was discovered. The aftermath included:

Fraudulent bank loans: \$3.2 million

Admitted theft from wife: \$341,000

Unpaid business bills: \$418,000

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the City of Omaha's Business and Technology Center.

A month before his third sentencing, O'Gara also became an evening chaplain and supervisor at the Open Door Mission homeless shelter.

Lost factory jobs: About 100

Bankruptcy filings: Wife, former business partner

Charges against O'Gara: 15

"I have worked with con artists, and I can see through them," the Rev. Bob Timberlake testified.

"And it is my professional opinion that this man definitely has a new life in Christ."

Three judges offered their "professional opinions" on what O'Gara deserved.

In the first case, O'Gara had spent three months at the Residence Inn near 72nd and Dodge Streets under a fake name and with a bum credit card after separating from his wife.

That got him charged with felony theft of services, which was later lowered to a misdemeanor, in Douglas County District Court. He was sentenced to 90 days in jail.

Next, O'Gara was convicted of **theft by deception** for forging his wife's name on the \$810,000 loan at State Bank and Trust in Council Bluffs. Interest and legal fees pushed the total damage beyond \$1 million.

Pottawattamie County prosecutors agreed to drop **another felony, for hiding company goods from creditors.**

"The financial burden that Mr. O'Gara has caused to the many friends, acquaintances and business associates has been of such magnitude that any leniency would be a breach of the justice system," Brent Rahn, bank senior vice president, wrote to the judge.

Judge Leo Connolly smacked O'Gara with 10 years in prison.

Or so it seemed.

O'Gara qualified for shock probation, which Iowa judges use if they think a taste of prison might scare criminals straight.

Instead of spending years behind bars, he was freed within weeks.

O'Gara boasted about the bargain to his lawyer, Dean Jennings, and joked about making a T-shirt that said:

I stole \$1.2 million in Iowa and only got 90 days. Call Dean Jennings.

For his bank loan deception and sneaky hotel stay combined, O'Gara had spent the summer of his 40th birthday behind bars.

O'Gara had one more court to conquer.

For a time, Barbara Wright thought her brother-in-law would change.

She had listened to O'Gara's tearful regrets about how he had hurt his wife and three children and would do anything to get them back.

He seemed anguished that he could not repay people, especially an elderly man of little means who loaned him \$450. If O'Gara could just repay one, he said.

Wright agreed to help, but rather than pay the man herself, she gave O'Gara the money - a chance to prove his newfound honesty.

In that hopeful spirit, she wrote the supportive letter to the court in Council Bluffs.

Afterward, O'Gara grew aloof and evasive. She knew she had been used.

When O'Gara faced sentencing in federal court nearly two years later, she refused his demand for a second letter.

He used her old one, anyway.

Scared straight?

Iowa judges can try to "shock" defendants into avoiding a life of crime by releasing them from prison after a short stay. One study showed, however, that the rates of rearrest are nearly the same as for regular inmates. Nebraska has never tried shock probation.

Rearrested within three years

SENTENCE	
Probation	39%
Shock probation	51%
Prison	56%

SOURCE: Iowa Division of Criminal and Juvenile Justice Planning
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O'Gara had been punished enough, his lawyer argued in early 1988 in U.S. District Court in Omaha.

In this case, **O'Gara had been accused of making false statements to banks and forging his wife's signature to get more than \$2 million in loans.**

He had been charged with 12 felony counts of fraud. The prosecutor dropped eight to get him to plead guilty to four.

O'Gara still faced up to 19 years in prison.

Jennings pleaded for leniency for his client.

O'Gara had been disbarred and divorced, he argued.

He had been to prison.

His credit was ruined.

"I think if you give him a chance . . ." Jennings said, "you will not see him again in any court of law for a violation."

The prosecutor wasn't sold.

Damage has been done, even if a felon truly reforms before sentencing, Assistant U.S. Attorney Thomas Thalken said.

"There needs to be a matter of deterrence," he said, "so that a person who goes in and cons people out of millions of dollars can't come into this court saying, 'I've changed my life around. Don't send me to jail.'"

Judge C. Arlen Beam gave O'Gara five years in prison, five years' probation and a bill for nearly \$1 million in restitution.

O'Gara responded, "Thank you, your honor."

But he was far from pleased.

* * *

In court motions from prison, O'Gara argued his sentence was an "extreme hardship."

Not for himself - but for his loved ones.

His relatives and friends sent letters pleading with the judge.

From his invalid father and arthritic mother in Lincoln: "Jim has been our mainstay in helping us to be able to remain in our home."

From his father's doctor: "Any emotional jolt such as his son going to prison would be detrimental and even life-threatening."

From his new girlfriend, struggling with a disabled son: "It has been extremely difficult with Jim unable to be here. Judge Beam he was and is my lifeline."

The prosecutor argued O'Gara should stay put. His point was bolstered by new correspondence from O'Gara's former sister-in-law and her husband.

The judge now was told O'Gara had submitted the in-laws' outdated letters of support at sentencing.

The sister-in-law also tracked down the elderly man O'Gara was supposed to repay with her \$450.

The man never saw a dime.

The judge decided he got it right the first time.

"The sentence as originally imposed," he ruled, "is fair to all concerned."

* * *

O'Gara reported to probation officer Ruth Bailey when he left prison in spring 1991.

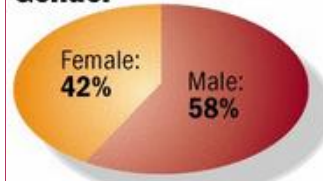
He had served three years and three months, after earning good conduct time.

The O'Gara charm was wasted on Bailey, who pegged him as smarmy and evasive, talking in circles "like an evangelist," she said.

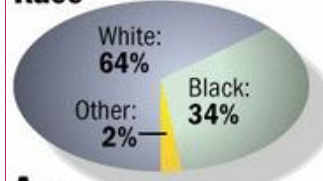
Convicted swindlers

Characteristics of 100,240 people convicted in 2002 of fraud, forgery or embezzlement in state courts nationwide:

Gender

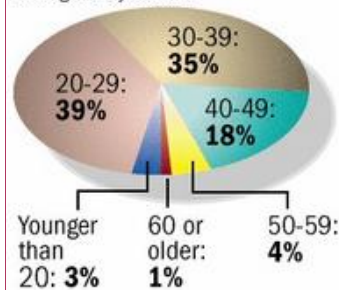


Race



Age

Average: 33 years old



SOURCE: Bureau of Justice Statistics

DAVE CROY/THE WORLD-HERALD

"My gut just said, from the minute I met him, he was planning his next shenanigan," she said.

The 44-year-old ex-con had another two years of prison hanging over his head if he screwed up.

A shenanigan soon surfaced.

Inmates griped O'Gara was doing a bad job on legal work they had hired him to do.

Legal work?

Bailey knew he had been disbarred. And he hadn't told her about this income, as required.

Instead, he claimed he had made only \$11,800 in nearly 1½ years of freedom.

O'Gara secretly had cleared about \$40,000 more, according to a follow-up investigation.

"Although Mr. O'Gara grossly overcharged for many functions, and said he was performing tasks he was not," the investigation determined, "he did perform some legal work for the fees."

Bailey added in her report to the judge:

"Exacerbating the fact that he lied about his earnings is the fact that, to date, he has paid \$225 towards a \$5,000 fine and paid nothing towards \$976,447.90 restitution" to banks he defrauded.

O'Gara was not charged with a new felony but admitted in summer 1993 he violated probation.

He was sent back to live among his latest client pool until Dec. 12, 1994.

Anointed a con man by the courts, O'Gara was living up to the billing.

The fat file detailing O'Gara's federal case eventually would be scrutinized by Marc Weber Tobias.

The investigative lawyer had begun piecing together O'Gara's past in summer 2002.

Unfortunately, he started after paying \$30,000, believing O'Gara was a loan broker.

Since kindergarten, Tobias had torn apart and reassembled mechanical devices. As a teenager, he rehabbed padlocks for neighbors and created master keys for forbidden buildings.

He eventually challenged a locksmith to give him the toughest model in the shop, getting a snicker and a lock as big as a fist. Thirty seconds later, Tobias handed it back, opened.

I said give me your hardest one, he sneered.

As a criminal justice undergrad at the University of Nebraska at Omaha, Tobias wrote a noted reference book, "Locks, Safes, and Security," and later published a 1,400-page update.

He considers locks an intellectual challenge, a dare to defeat 4,000 years of technology trying to keep people out.

Locks protect secrets.

"It's very satisfying to open a tough lock," Tobias said.

Jim O'Gara had met his match.



Investigative attorney Marc Weber Tobias demonstrates his lock-picking skills. He has gained international publicity for showing how easy it is to break into postal boxes.

* * *

Wednesday: Business owners and entrepreneurs bank on Jim O'Gara's word.

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Published Wednesday
September 27, 2006

Chapter Four: Looking behind the bluster

BY KARYN SPENCER
WORLD-HERALD STAFF WRITER

Marc Weber Tobias glared at the squatty strip mall, staring at what was supposed to be Jim O'Gara's office in Omaha.

The investigative attorney had handed over \$30,000 after O'Gara presented himself as a loan broker and claimed he worked for a company called SBF Inc.

After Tobias found O'Gara's 15-year-old fraud case, he clicked into investigator mode.

Tobias, who lived in Sioux Falls, S.D., had never been to O'Gara's office.

He had done business with O'Gara by phone and fax or over dinner when he passed through town.

Let me kick it down to my people, O'Gara had told him, alluding to staff that specialized in certain industries.

Tobias wanted to hear what O'Gara's people had to say about their boss.

In late summer 2002, Tobias pulled into the parking lot for the Harvey Oaks strip mall, cruised past the grocery store and found the address he wanted, 14536 West Center Road.

The storefront was not graced with an SBF logo.

The sign read:

Ship Mail & More.

O'Gara's office, "Suite 140," was actually postal box 140.

Tobias knew he had to get this guy.

He had no idea that he was the latest in a long line of victims.

O'Gara had been spinning his business out of a mailbox since at least 1997, about two years after his release from federal prison for bank fraud.

The 56-year-old had a home office in his split-level duplex in Woodhaven, near 165th Avenue

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Jim O'Gara used to work out of this Omaha duplex, near 165th Avenue and West Center Road, which he shared with his girlfriend. The office address he gave clients was a private postal service.

The name Jim O'Gara draws guffaws and groans from people who once had their futures riding on his lies.

They tell the same story. Only the ZIP codes and businesses change.

Ostrich meat in Kansas. Embroidered clothing in Omaha. Software and radio stations in South Dakota. Shipwreck salvage in the Atlantic. Casinos in Mexico.

Some drum up a Jimmy imitation, looking you in the eye and parroting his favorite phrases with a hyperdramatic, Shatner-like delivery.

This . . . is confidential.

God love you.

Entrepreneurs trying to start, refinance or expand a business became convinced O'Gara had investors waiting to pour cash into their great idea.

His clients listened to the lingo he learned as a lawyer and banker and watched him jot notes on legal pads, sometimes coding topics by ink color.

His upfront fee - typically \$15,000 to \$40,000 - seemed like a bargain for what he promised: legal advice, a business plan and connections to cash.

Most had gotten his name through word of mouth.

He walked into their lives as the husband of a friend's friend or on the word of a partner who said O'Gara provided contacts for a previous project.

O'Gara cemented his reputation with his story about marrying a single mother whose son was severely disabled - now that says something about a guy.

Dreams overshadowed any doubt for his clients.

Banks had turned down their projects as too risky. Then along came O'Gara, cheering them on.

On his word, they toasted to their future and made plans to buy a bigger house or snazzier car, become their own boss, send the kids to private school.

If they pressed for details, he'd respond with fuzzy answers like: *What are we going to do? You know, it'll be - bada bing, bada bang. (Deep sigh.) I don't need to spell it out for you, do I?*

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and West Center Road.

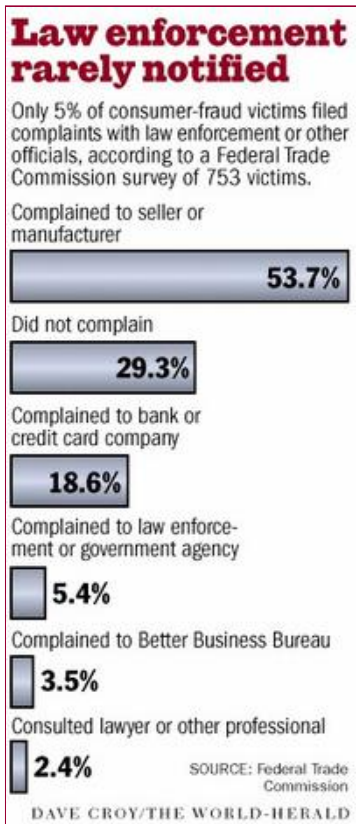
Was he ever legit?

He never was licensed as a loan broker, and his company was never registered with the state - both required by state law.

O'Gara's attorney offered names of purportedly satisfied clients, but they declined to talk.

This much is known:

During the decade he claimed to be a loan broker, his damage from bilking clients, abandoning bills and ignoring court judgments neared a half-million dollars.



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Think they were stupid to fall for it?

Most of them would agree.



They now shake their heads over O'Gara's excuses for missing meetings and calls. All heard a few.

Hypoglycemia. Asthma attack. Sick wife. Sick kid. Bleach in eyes. Son has brain tumor. Now wife has brain tumor in the exact same spot.

They look back in regret, thinking of how many times he claimed big money was just a few weeks away - then a few more. How he became harder to reach. How he acted insulted if challenged.

Do you have any idea what I have been doing for you?

As Tobias began searching for the truth in late summer 2002, his dealings with O'Gara replayed in his head.

O'Gara had been hired to find financiers for proposed casinos in Mexico. As the project progressed, its key players converged in a conference room at the Paris Las Vegas hotel on the Strip.

O'Gara, supposedly the man with the big money, called with a last-minute apology. He had been on the plane to Vegas when he got the phone call.

His son, Drew, was near death. O'Gara had to

charter a plane to the Mayo Clinic.

"Oh, my God, Jim," Tobias told him. "Of course."

Was any of this real?

Tobias needed to find out.

Pieces of O'Gara's personal life could be confirmed.

O'Gara never remarried after his divorce in 1986. Yet he routinely referred to Deanna Greene-Rogalski, his girlfriend for 15 years, as his wife.

The couple began dating in 1987, between his trips to prison and during her 11-year-old son's medical nightmare.

Drew, her son from a previous marriage, had survived emergency surgery for a brain tumor three months earlier, but his sight, memory and motor skills were damaged.

O'Gara used Drew's health as an excuse for professional lapses. Whether the boy was sick at those times is unknown. (Remember, O'Gara once pretended his own son had been run over by a car to skip court in Missouri.)

As Drew's health deteriorated, he was moved to On With Life, a care center in Glenwood, Iowa.

He was 28 when he died there Aug. 18, 2003.

O'Gara ordered funeral flowers from Rachelle Schroeder, a care-center volunteer who owns a flower shop and landscaping company.

O'Gara still owed her \$1,800 for a spring landscaping project that ended in arguments and a bounced check, followed by a rejected credit card.

Despite the unpaid bill, Schroeder agreed to make baskets of chrysanthemums for the funeral.

Give a little sugar, she thought, and you might get a little back.

During the ceremony, Schroeder watched O'Gara give the mums to the On With Life staff

in gratitude.

Then he stiffed her on the \$650 bill.

* * *

A handful of victims have left a trail of public records during their pursuit of O'Gara.

He was charged once with theft after his 1994 prison release: **An Omaha woman who was trying to open an embroidery shop pressed charges in 1996.**

The case was dropped because he partially repaid her. She needed the money more than a conviction.

O'Gara's individual financing deals often were too small to merit the attention of the FBI, which emphasizes major and corporate fraud reaching into the millions.

Yet sorting out fact from fiction in financial dealings can be too complex for the limited resources of smaller police departments.

And some officials might write off his behavior as incompetent, which could be grounds for a lawsuit, rather than a criminal charge.

A lawsuit over a failed Kansas ostrich company dragged on for 1½ years as a bank, ostrich farmers, slaughterhouse owners and the former state ostrich association president fought over who was to blame for what debts.

O'Gara, hired as the business consultant and marketing guru, walked away from the case and from \$164,254 in unpaid court judgments.

Some O'Gara clients walked away from their losses, shrugging them off as a routine business risk.

An Iowa man roared with a gravelly laugh about giving an ex-con \$24,000. "Hell, I've lost more money than that before," he said.

Others who fall for scams often are too embarrassed, frustrated or broke to pursue con artists.

"A lot of people think, 'It's not worth my time and money to chase what I lost,'" said a Kansas City native, whose partner liquidated an annuity to pay O'Gara \$34,000. "I think it's really central to what O'Gara does."

None of them was equipped quite like Tobias, with 30 years of investigative experience.

* * *

Tobias uncovered the real Jim O'Gara story as he tried to verify the credentials O'Gara had spouted as a supposed loan broker.

O'Gara's alma mater, University of Chicago? Never heard of him.

A lawyer? Pfft, he'd been disbarred decades earlier.

And SBF itself? The only Nebraska corporation with that name was a clothing store that closed in 1991.

Tobias guessed at what "SBF" stood for.

Society of Brazen Felons.

He was done being the fool.

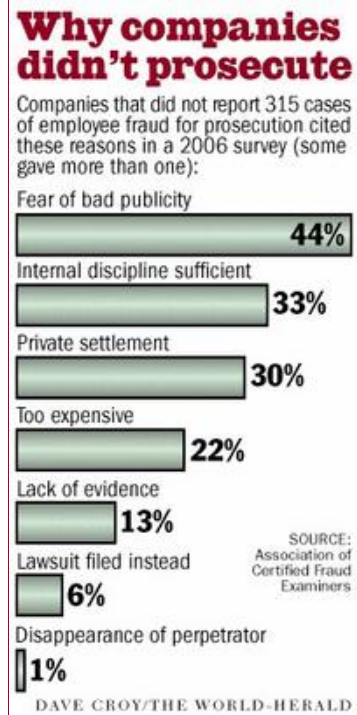
Time to save face.

* * *

Thursday: Jim O'Gara shifts from hunter to hunted.

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Published Thursday September 28, 2006

Chapter Five: Confronting a con artist

BY KARYN SPENCER WORLD-HERALD STAFF WRITER

Jim O'Gara delivered his umpteenth batch of assurances over dinner at Charlie's on the Lake.



THE CHEATER Jim O'Gara "He's personable. He's likable. That's part of the problem," said Marc Weber Tobias, who was infuriated but impressed by the con man.

Marc Weber Tobias had suggested the meeting one autumn evening in 2002. He pretended he wanted an update on O'Gara's search for business financing.

Tobias actually wanted evidence.

He surreptitiously captured O'Gara's lies and promises on tape.

"It's under way," O'Gara said. "There's a high degree of interest."

Tobias, an investigative attorney from Sioux Falls, S.D., let him continue to hang himself in the chatty atmosphere of the Omaha seafood restaurant.

Eventually, Tobias leaned over his plate of salmon and shared his secret.

"I know the Jim O'Gara story," he said.

Tobias ran down James Charles O'Gara's five felonies for fraud, his disbarment, his fictional marriage.

"My God," O'Gara said. "I don't know what you're talking about."

"You don't have five felonies?" Tobias asked.

"I don't have five, I don't have four, I don't have three . . ." O'Gara said.

"You don't have any felonies?" Tobias asked again.

"My God," O'Gara said.

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THE CHEATED
Marc Weber Tobias
"Tobias will teach you patience," said Jim O'Gara, who respected the victim who relentlessly unraveled his past.

Tobias fired off incriminating facts and basic questions.

O'Gara tried shaking them with an assortment of approaches: confusion, astonishment, counter-questioning, denials, changing the topic, taking the Lord's name in vain.

"I don't know what's going on."

"What?"

"Jesus Christ."

He insisted there was a mix-up with another James O'Gara.

"I don't have a middle initial. And I am Jim." He even spelled it. "J-I-M. But that's - I'm not going to get into all of this."

Tobias had few choices.

By now, he and two other Sioux Falls businessmen had paid nearly \$90,000, expecting O'Gara to find investors for three ventures.

Despite O'Gara's criminal record, he just might have connections to pull together the financing.

They had nothing to lose by continuing to wait.

Tobias thought he had legal leverage, too, figuring O'Gara's five felonies overqualified him for a life sentence under the federal "three strikes, and you're out" law.

Tobias presented the options to O'Gara with the matter-of-factness of a waiter listing the evening specials.

Get the deals done, he said, or get life in prison.

Despite his irritation, Tobias complimented his foe at one point.

"You ever see the movie, 'The Flim-Flam Man'? With George C. Scott?"

"No," O'Gara said.

"You ought to rent it. You're better than he is."

Months went by.

No money arrived.

No surprise.

Tobias got to work.

Professionals in scam-riddled industries know that economic crimes take a back seat at many law enforcement agencies.

The best way to get fraud prosecuted is to drop finished cases in authorities' laps.

Tobias compiled a file on the three failed South Dakota deals.



From left, victims Lee Axdahl, wife Lennis Axdahl and Larry Kallhoff after a June 2005 hearing for Jim O'Gara in U.S. District Court in Sioux Falls, S.D. "A hundred years ago, put him in a covered wagon and a stovepipe hat, he'd have been a snake oil salesman," Kallhoff said. Lee Axdahl added: "He'd own half of Sioux Falls."

First was his own: \$30,000 to find financing for Mexican casinos.

The second involved Lee Axdahl, who has the generic good looks and mild demeanor of a Midwestern television anchor. He had planned to consolidate his debt from three Sioux Falls radio stations.

When Axdahl paid the front-end fee, he told O'Gara it was his last \$22,000.

O'Gara promised financing within weeks.

Axdahl lost the fee, his Sioux Falls stations, his home and his reputation. He and his family retreated to the remote state capital, Pierre, where they run an AM station.

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"You just feel crushed," he said. "You feel like everything you've worked for your whole life could potentially go up in smoke because basically you have entrusted your life to this guy."

The third businessman, Larry Kallhoff, formerly of Omaha, wanted financing to purchase and expand the business software company he managed, Odyssey Solutions.

Kallhoff, who resembles Wilford Brimley gone corporate, paid \$37,413 upfront and took O'Gara to Boston and Philadelphia to meet industry bigwigs.

When O'Gara's checkered past was uncovered, Kallhoff refused to believe it at first.

He was convinced O'Gara was his friend.

"I'm a Midwesterner," Kallhoff said. "Once I decide to trust somebody, I'm in for the whole 110 percent."

* * *

Tobias, still simmering months later, decided to have a little fun.

During their deal, O'Gara had said he was hard to reach because his cell phone stunk, so Tobias had given him a Nextel walkie-talkie radio-phone.

Tobias still had access to the voice mail. He freshened O'Gara's message.

Callers trying to reach Jim O'Gara, business consultant, heard something like this:

This is Marc Tobias of Investigative Law Offices. We're conducting an investigation into James Charles O'Gara.

He tossed in O'Gara's federal inmate number from the 1980s.

Then he changed the password, forcing his prey to live with the incriminating message.

"If anyone has any doubts about me and Machiavelli," he said, cackling, "there you go."

* * *

Tobias handed the FBI in Sioux Falls an inch-thick file in early 2004.

A grand jury translated O'Gara's bold lies to the radio station owner and software company president into five counts of fraud.

Tobias' Mexican casino deal was excluded because of its complexity.

O'Gara's arrest warrant arrived at the FBI in Omaha later that year, on Friday, Sept. 24.

As the warrant sat during the weekend, O'Gara charmed a Florida entrepreneur and a retired oilman at the Marriott Hotel, less than a mile from the FBI office.

No one at the table knew O'Gara was a wanted man.

Not even O'Gara.

He sashayed through his bag of tricks.

Give a guarantee. *It's a slam dunk.*

Drop a name or two. *Berkshire Hathaway wants in.*

Money in the bank on Monday. *Bada bing, bada bang.*

Tuesday morning, a pack of federal agents traveled curvy streets lined with trimmed lawns in Omaha's Woodhaven neighborhood and arrested O'Gara for the two South Dakota deals.

The FBI had no idea he had used the same lies to extract \$24,000 from the oilman the day before.

Needless to say, O'Gara could afford a private attorney.

* * *

Friday: Can Jim O'Gara dupe the court?

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Published Friday September 29, 2006

Chapter Six: Grand jury has spoken - but business is business

BY KARYN SPENCER WORLD-HERALD STAFF WRITER

Despite his history of crime, Jim O'Gara was free without posting bail while his latest case was pending in fall 2004.

Five counts of fraud had been filed in South Dakota, where he was charged with duping two businessmen out of nearly \$60,000. A third deal didn't make the cut.

He stood accused of telling whoppers as he offered to find investors for the victims' ventures, when in fact:

• His supposed firm, SBF Inc., was bogus, as were its offices in Chicago, Dallas, Kansas City, Phoenix and elsewhere.

• He had spun tales about more than 20 partners, including a former Merrill Lynch investment banker and a former Securities and Exchange Commission attorney.

• He pretended that he still was an attorney and that his "company" used Akin Gump, a major national law firm.

O'Gara shrugged off the indictment that fall.

"There's no truth to any of it," he said.

Even so, the court required him to notify any other clients of the charges.

O'Gara sometimes neglected to mention it.

Unbeknownst to federal investigators, O'Gara had been hired the previous year by a British-American group for \$34,000.

The group still was waiting for him to finance Orca, a deep-sea project that would salvage items from shipwrecks.

Meanwhile, O'Gara had agreed to pay Bill Peterson, a Florida man involved in Orca, to recruit other prospects.

About the time O'Gara was indicted, he made an urgent pitch to Peterson.

O'Gara claimed that a business partner had been approached by a German investment company with \$560 million to pour into American companies.

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Deals had to be done by year's end - a few months away.

Bring me the projects, O'Gara commanded.

Peterson drummed up three. O'Gara was negotiating to make \$20,000 to \$50,000 on each, before Peterson's cut.

When an artist pitching an animation company neared his deadline to pay \$23,500, he "Googled" O'Gara and stumbled across a curious document:

A three-month-old press release announcing O'Gara's indictment.

The artist sent it to Peterson, his contact for the project.

"That was the first time I knew O'Gara was anything but what he told me," said Peterson, crushed that he had invested so much time based on a con's claims.

Peterson notified his clients, including the retired oilman who sent O'Gara money just before his arrest.

He also notified the FBI that a guy with a pending fraud case still might be swindling people.

Peterson had another reason to be surprised, as one of the few who had taken an extra step to verify O'Gara's credentials.

He had checked with the Better Business Bureau.

O'Gara was a member.

The ex-con had managed to get his fictitious business, SBF Inc., enrolled with an organization that warns consumers about fraud.

O'Gara, dressed in slacks and an eggplant-colored polo sweater, looked like a lawyer on his day off as he strolled through the stone federal courthouse in Sioux Falls, S.D.

The stocky man with thick gray hair and sloping shoulders had agreed to concede.

He pleaded guilty on April Fool's Day 2005.

It was 28 years to the day since his first conviction.

Back then, he was a 30-year-old lawyer who had filed a false affidavit. Now he was a 58-year-old ex-con pleading guilty to fraud.

The crux of the cases was the same.

"Very simply put," he said in court this time, "I lied."

His girlfriend, Deanna Greene-Rogalski, and friend Bart McEvoy, both of whom had supported him since the 1980s, sat a few rows behind the victims.

Magistrate Judge John Simko asked the defendant to explain what he did.

O'Gara admitted he had snowed a radio station owner and a software company president to get hired to find financing for their businesses.

But he said he always intended to get the money he had promised them.

"I told them I had resources, which, your honor, I did not," he said. "I'm sick over it."

At the same hearing, the judge learned that O'Gara, just before his arrest, had gotten \$24,000 from the retired oilman using the same lies that had led to the indictment.

O'Gara was not charged with an additional crime.

He was accused of violating court rules not to commit crimes during the pending case.

He also was accused of violating the court's requirement to notify clients about the fraud charges.

O'Gara had debated the notification issue for months with a court officer, then brought letters to the hearing to show he had alerted several clients.

Repeat offenders

Few defendants are designated as career criminals, who get longer sentences under "three strikes" laws.

Federal

Of **61,464** federal defendants in 2005:

Career criminals **1,981** (3%)

Armed career criminals **626** (1%)

SOURCE: U.S. Sentencing Commission

Nebraska

Of **39,096** inmates since 1976*:

Habitual criminals **238** (0.6%)

Inmates twice convicted of being habitual criminals **9** (0.02%)

*Includes inmates already incarcerated in 1976 when state computerized its records

Of **238** habitual criminals:

Most recent crime

Violent **87**

Property **69**

Drugs **37**

Robbery **23**

Other **22**

When sentence began

1970s **16**

1980s **47**

1990s **99**

2000+ **76**

SOURCE: Nebraska Department of Corrections; World-Herald analysis

DAVE CROY/THE WORLD-HERALD

His attorney acknowledged that another client discovered the case on his own through the Internet.

"Mr. O'Gara was supposed to tell them," the judge said.

O'Gara's girlfriend began to cry.

The judge dampened the defendant's entrepreneurial spirit by putting him in jail until sentencing.

Not that putting him in jail increased his punishment.

Every day behind bars would count as part of his final sentence.

The federal prosecutor had dropped four charges to get O'Gara to plead guilty to one.

"You charge everything you can, and you plead it down to one count," said Marc Weber Tobias, a former assistant South Dakota attorney general who lost \$30,000 on O'Gara's lies. "That's the game."

O'Gara now had six felonies on his record.

Tobias, thinking of the tough-on-crime law from the 1990s, had once threatened him:

Three strikes, and you're out - life in prison.

However, in federal court, that law kicks in only for drug dealers or violent felons.

After his plea agreement, O'Gara was looking at five years - tops.

Then his case was sifted through the U.S. Sentencing Commission Guidelines. The manual translates a federal defendant's current crime and criminal history onto a grid that recommends a sentence range.

Much of O'Gara's record fell into a vacuum. Sentences older than 15 years don't count. Related cases get lumped together.

In the end, his two drunken-driving convictions carry almost as much weight as his \$3.2 million in bank fraud in the 1980s.

Victims' wasted time, shattered self-esteem and financial stress were irrelevant as the formula spit out O'Gara's recommended sentence.

Six to 12 months in prison.

He had spent more time than that stringing along the two victims in the case.

"The formula is an insult in this case," said victim Lee Axdahl, the radio station owner.

In the tasteful oak courtroom, the chunky, black-and-white stripes of O'Gara's jail uniform seemed cartoonish at his sentencing June 20, 2005.

O'Gara, now a pudgy, pasty ghost of his former self, shuffled toward his seat, wearing shackles and rubber flip-flops over athletic socks.

"Somebody with that much intelligence and capability in stripes and shackles - it's pathetic," said Axdahl, watching in the audience.

Then he added with vengeful glee, "But isn't that kind of funny?"

10 crimes don't equal 3 strikes

Mr. O'Gara's criminal history added up to a recommended sentence of 6 to 12 months because of federal sentencing guidelines and state laws. Federal guidelines assign points for previous crimes to help determine sentences, and "Three strikes" laws can add time to the punishment.

Year	Offense	Federal points	Federal offense 1	Federal offense 2	Nebraska offense 1	Nebraska offense 2
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony
1980	Bank fraud	12	Level 1	Level 1	Not a felony	Not a felony

SOURCE: U.S. Sentencing Commission; Neb. Stat.

Click to enlarge.

Judge Lawrence Piersol had reviewed O'Gara's record and the suggested sentence of six to 12 months in prison.

He announced to the courtroom that, in his opinion, a year would be too short.

Then he asked if the defendant wanted to speak.

O'Gara rose from his hobnail chair and launched into a half-hour, rambling soliloquy. . .

. . . How he had worked so hard to make these deals work . . .

. . . How he loved his girlfriend so much he called her his wife . . .

. . . How he cared for her disabled son as if he were his own until the day the son died .

. .

O'Gara swore he had boxes of documents to show he had tried to get investors.

"I would not have signed any of those agreements if I did not have firm belief in my heart and in my gut and soul that these financial transactions would come together," he said.

The radio station owner and his wife rolled their eyes. "Is this all sounding familiar?" he whispered.

The judge, however, decided to give O'Gara a chance to prove his word.

He postponed the sentencing to let the defendant gather documentation.

The victims were flabbergasted.

"It's a perfect example of O'Gara's ability to wrap someone in," the software company president said. "We're at a sentencing hearing. Are we getting a 'do-over' here?"

* * *

Sunday: Will justice be done? And how could a con artist join the Better Business Bureau?

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Published Sunday
October 1, 2006

Chapter Seven: Judge adds up the price for decades of schemes

BY KARYN SPENCER
WORLD-HERALD STAFF WRITER

Six weeks after Jim O'Gara was supposed to be sentenced, court reconvened for Round 2.

Justice whittled down table with columns for years (1965, 1970s, 1985, 1996, 2005) and rows for charges and sentences.

The victims, the attorneys and the FBI agent all filed into the castle-like federal courthouse in Sioux Falls, S.D., on Aug. 1, 2005, wondering what O'Gara would get.

At the previous hearing, the judge had

suggested that the recommended sentence of a year or less might be too short, considering the defendant's record of eight convictions for theft and fraud.

With a U.S. marshal at his side and shackles on his ankles, O'Gara shuffled into the golden-oak courtroom. None of his supporters came.

O'Gara admitted he had told sweeping lies - about having big-name partners, staff and other resources - to two businessmen who needed financing.

However, he swore he tried to find investors for their companies.

Judge Lawrence Piersol had delayed the sentencing to let him provide proof.

Now it was judgment time.

The courtroom fell silent, aside from the occasional squeak of a chair.

Piersol, high upon his bench, sifted through a sheaf of papers from the attorneys, resting his chin on his hand as he read.

Seven library-quiet minutes ticked away.

O'Gara propped his elbows on the defense table and buried his face in his palms.

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Federal judges must order restitution for total loss, regardless of whether defendant can pay.



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The victims - a radio station owner and a software company president bilked out of a combined \$59,413 - watched from straight-backed benches.

Restitution owed for white-collar fraud in 2002: \$17 billion

The judge finally spoke.

Collected in 2002: \$600 million

A few people had sent confidential letters to the court praising O'Gara for saving their companies, he said.

Considered uncollectible: 75%

O'Gara obviously had intelligence, education and abilities.

A 2005 analysis of five corporate fraud cases shows how former executives lived lavishly while paying little restitution to victims.

But he lacked the morals to keep him from duping others.

"The public has to be protected from this defendant," the judge decided.

Total owed: \$568 million
Total paid: \$40 million (7 percent)

O'Gara stood and bowed his head to receive his sentence.

Meanwhile, those defendants:
• Lived in homes worth \$1 million or more
• Took overseas trips
• Opened trusts, foundations and corporations for relatives and property
• Gave company to minor child, who hired the defendant
V Filed for bankruptcy before conviction

Jim O'Gara was going to prison, the judge announced . . .

For 24 months.

Two years.

Subtract the days he spent in the county jail before sentencing. And good conduct time if he behaves in prison.

O'Gara should be released Christmas Day 2006.

* * *

SOURCE: U.S. Government Accountability Office

Get the deals done, or get life in prison.

That threat had been dangled over O'Gara's head by Marc Weber Tobias, an attorney who fumed when he realized his loan broker was a convicted con man.

He hammered away at O'Gara - unearthing documents and secretly taping conversations - on and off for 1½ years before charges were filed.

"By God, I decided Jim O'Gara just shouldn't be on the street," he said.

Law enforcement often spouts an "I'm-gonna-getcha" braggadocio. But the bluster fades to a whimper as the bureaucratic reality of criminal justice churns forward.

Tobias was among the 5 percent of fraud victims who contact government officials, out of an estimated 24 million Americans who get defrauded each year.

Fraud reports can sit idle with law enforcement for a variety of reasons, including lack of evidence, jurisdiction, resources or expertise. For O'Gara, at least three deals totaling more than \$80,000 were reported but never prosecuted.



Even so, more than 50,000 people are convicted of fraud in a year.

Many plead guilty to lesser or fewer charges than prosecutors filed.

Over the years, O'Gara has been charged with 22 crimes involving theft and fraud.

Fourteen charges were dropped - 13 of them through plea agreements.

Felons who get locked up for fraud stay an average of 1½ years.

An estimated 40 percent of defendants convicted get no prison or jail time. Those who steal cars or get caught with drugs are more

Rachelle Schroeder, who owns Rachelle's Floral, Eatery and Landscaping in Glenwood, Iowa, went to court to get Jim O'Gara to pay for funeral flowers for his girlfriend's son and for a landscaping project. She is still looking for his girlfriend to pay a \$2,400 judgment in the case


likely than con artists to see the inside of a cell.

Some investigators, knowing that property crimes often end in probation, are relieved just to tag a conviction on the crook. At least they've left a hint for the next person who looks.

So, when Judge Piersol dinged O'Gara with two years in prison, he doled out a rarity: a longer-than-average fraud sentence - even harsher than recommended by the federal court's sentencing guidelines.

From that perspective, O'Gara didn't get away with it.

He actually got it worse than most.



How many of these *can you* check off?

* * *

O'Gara's victims didn't get to lock him up forever, but at least he was ordered to pay them back.

On the surface, with his comfortable west Omaha lifestyle, he looked like the rare defendant who could.

He could afford a private attorney. His known deals generated an average of \$40,000 a year in recent years.

He and his longtime girlfriend, Deanna Greene-Rogalski, shared a duplex near 165th Avenue and West Center Road with a \$116,850 mortgage. He drove a black 2002 Buick Rendezvous sport utility vehicle.

Yet those assets couldn't be touched to repay his victims.

His girlfriend was listed as the owner.

"There are techniques that debtors can utilize," said O'Gara's attorney, Clarence Mock, "because the law is too unwieldy to be able to collect."

After O'Gara's sentencing, the bank foreclosed on the duplex, and the girlfriend filed for bankruptcy, wiping out \$131,732 in credit card and other debt.

The government has tapped one asset in O'Gara's name to repay the South Dakota victims.

His inmate account.

The judge ordered him to pay \$25 each quarter.

He owes \$59,413.

"If I only get 10 bucks, 30 seconds before I die," radio station owner Lee Axdaahl said, "I'd be happy."

He hasn't gotten a penny yet.

In case O'Gara accumulates assets later, federal prosecutors filed a lien to hook onto any future property.

He still has an outstanding lien for ignoring his bank-fraud fine from 1988.

* * *

As O'Gara sat in prison this summer, **his fictitious company SBF remained on the Better Business Bureau Web site.**

"Based on BBB files, this company has a satisfactory record with the Bureau. The Bureau processed a total of 0 complaints about this company in the last 36 months, our standard reporting period."

* * *

OK, so O'Gara didn't get life in prison, but Tobias thinks his con man won't have much of a life after prison.

He'll be 60 years old and monitored by a probation officer for three years. His girlfriend referred to him as her ex when she filed for bankruptcy last year.

"He's screwed," Tobias said. "He has no money. He has no house. He has no one. His life is wrecked."

Now that Tobias considers himself the victor, his vindictiveness has waned.

He calls his former archenemy Jimmy, reminiscing about him like an old college buddy.

He always liked O'Gara, he insists, even when he was infuriated by him. Sure, O'Gara may be a fraud, but he gets credit for caring for his girlfriend and her disabled son.

"It's not that the guy doesn't have a big heart," Tobias said. "He's just a thief."

Tobias, who first turned to O'Gara for his purported financial expertise, now thinks he has expertise to offer the convict.

In a letter shipped to the U.S. Penitentiary in Leavenworth, Kan., Tobias proposed a new partnership to inmate number 12483-047.

Why not give fraud lectures together?

O'Gara could reveal con secrets. Tobias could enlighten audiences as victim and investigator. Profits could repay the victims.

Several high-profile con men have turned criminal enterprise into fraud-prevention careers. Frank Abagnale, the real-life inspiration for the movie "Catch Me If You Can," gets \$20,000 or more per speech.

In boxy handwriting, on lined notebook paper, O'Gara sent his reply:

"I am open to talk to you about a lecture, but it makes no sense to me to talk about it until after my release," he wrote.

"Back in the 80's, several attys (including one in the US atty's office) suggested I do just that; develop a series for bankers, venture capital companies and private investors to show them how to detect fraud."

Their negotiations could start after O'Gara moves Oct. 24 into a federal community corrections center in Council Bluffs.

A two-month stay in this halfway house will be the last phase of his sentence.

The center sits 1½ miles from his old furniture factory, General Wood Works, where his fraud career blossomed in the 1980s.

Once O'Gara arrives there, Tobias has other ideas to float.

A book. Maybe even a movie.

Who would play the lead in "The Jim O'Gara Story"?

Tobias pondered for a few moments, tossed out a few names, then concluded:

"I'm not so sure O'Gara couldn't play himself."

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