

Markets

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Former Lason Exec Pleads Guilty of Fraud

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DETROIT — The former chief executive and chairman of a data-management business pleaded guilty to conspiring to overstate the company's revenues.

Under a plea agreement with the government Monday, Gary L. Monroe faces up to 51 months in prison and \$250,000 in fines in the filing of a fraudulent quarterly report with the Securities and Exchange Commission.

He could also be ordered to pay restitution to former shareholders of Troy-based Lason Inc., where he worked until 2000, the U.S. attorney's office in Detroit said.


Prosecutors say the 52-year-old Birmingham resident helped inflate the company's third-quarter earnings for 1999 by \$13 million in order to meet analysts' expectations. Monroe became CEO of Lason in 1996 and its chairman in 1998.

Two other former Lason executives have been charged with federal crimes in the case. Former President and Chief Operating Officer John Messinger pleaded guilty in 2004 but has had his sentencing deferred pending the completion of his cooperation with the government.

Former Chief Financial Officer William Rauwerdink also has been charged.

The company filed for Chapter 11 bankruptcy protection in December 2001 and emerged from bankruptcy in July 2002.



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