

Department of Justice

United States Attorney William J. Hochul, Jr.
Western District of New York

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CONTACT: BARBARA BURNS
PHONE: (716) 843-5817
FAX: (716) 551-3051

CANADIAN MAN PLEADS GUILTY TO WIRE FRAUD CHARGES

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Gregory Shaheen, 41, of Montreal, Quebec, Canada, pleaded guilty before Chief Judge William M. Skretny, to wire fraud. The charge carries a maximum penalty of 20 years in prison and a fine of \$250,000.

Assistant U.S. Attorney MaryEllen Kresse, who is handling the case, stated that Shaheen perpetrated two separate wire fraud schemes, both of which involved the defendant engaging in fraudulent telemarketing activities in Canada targeting victims in the United States. One of the schemes occurred from December 2004 through December 2005, and involved individuals in Buffalo and Ohio, including Ralph S. Guastaferrro, Jr., who was sentenced to 24 months in prison in June for laundering a portion of the proceeds of the defendant's illicit scheme. The other scheme, which occurred from December 2007 to March 2008, was charged in federal court in New Jersey and transferred to Buffalo for disposition.

Shaheen debited victims checking accounts or charged their credit cards for items they didn't purchased. The alleged sales were then processed using bank accounts which were set up in the United States by others involved in the schemes. The proceeds of the schemes, totaling \$1.2 million dollars, were then wire transferred to accounts controlled by the defendant in the United States and Canada.

The defendant was arrested in April 2010, attempting to enter the United States to initiate a new scheme to defraud which involved obtaining personal identifying information of individuals without their knowledge or authority, and then using that information to process payments for an alleged web-based company.

The guilty plea was the result of an investigation by Homeland Security Investigations, under the direction of Special Agent in Charge Lev J. Kubiak, and the Federal

Bureau of Investigation, under the direction of Special Agent in Charge Christopher M. Piehota.

Sentencing is scheduled for November 8, 2011 at 9:00 a.m. before Chief Judge Skretny.

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