

# NEWS

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United States Department of Justice  
U.S. Attorney, District of New Jersey  
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Newark, New Jersey 07102

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***Christopher J. Christie, U.S. Attorney***

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Former Executive of New Jersey Technology Company Sentenced to Nine Years in Prison for \$5 million Investor Fraud

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NEWARK – A Florida man was sentenced today to nine years in federal prison for his role in a scheme to defraud dozens of investors of a private company of more than \$5 million, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge Peter G. Sheridan also ordered Guy E. Urciuoli, 41, of Wilton Manors, Fla., to pay \$4.163 million in restitution to his victims.

“Urciuoli betrayed the trust of his investors and caused devastating financial ruin for many victims,” said Christie. “The long prison sentence serves as a reminder that this office, along with our law enforcement partners, is very serious about charging and removing from society those that cheat and bilk others out of their life savings.”

After a two-week trial in January, the jury convicted Urciuoli on all counts of a six-count Indictment, which charged five counts of wire fraud and one count of obstruction of justice. The criminal convictions relate to Urciuoli’s solicitation of investors to purchase shares of stock of InsPara Networking Technologies, Inc., a privately-owned business information technologies firm based in Cranford, N.J., with seven affiliated offices throughout the United States, as well as a location in London.

Urciuoli, the V.P. of Finance and member of the company’s board of directors, through phone contact and written material, solicited more than 40 individuals who each invested between \$25,000 and \$1 million. Urciuoli solicited investors to purchase shares of InsPara stock, ranging between 75 cents to \$2 per share, with the stated goal of making the company attractive for a lucrative public offering or merger.

The victim-investors were located across the country, including New Jersey, New York, Florida, Colorado, Tennessee, Illinois, California and Nevada, according to Assistant U.S. Attorneys Robert Kirsch and Craig Carpenito, who tried the case for the government.

In total, Urciuoli solicited approximately \$5.3 million from investors from which he siphoned approximately \$1.3 million through a series of five shell companies he controlled.

Trial testimony proved that Urciuoli lied and misled investors about his sales commissions, which totaled approximately 25 percent of the investors’ money, as well as him being InsPara’s largest shareholder holding 3.5 million shares of company stock.

In addition, to bolster his credentials to investors, Urciuoli falsely claimed to be a licensed securities broker, and to gain their confidence, falsely claimed that he invested up to \$1 million of his own money in the Company. In convicting Urciuoli, the jury found that the defendant did not pay anything for his shares, but rather received the shares as part of his compensation package for recruiting investors.

In addition, the jury found that Urciuoli obstructed justice by duping some investor-victims to sign false and misleading “disclosure statements” in an effort to conceal his wrongdoing, which he then presented to the FBI pursuant to a grand jury subpoena.

In mid-November 2006, Kevin Holt, 54, of Cranford, N.J., InsPara’s former chief executive officer and chairman of the board of directors, and Robert Henches, 61, of Montville, N.J., the former chief operation officer and director, each pleaded guilty before Judge Sheridan to separate one-count Informations that charged them with conspiracy to commit mail and wire fraud. Neither were called to testify at Urciuoli’s trial, and their sentencings are scheduled for June 2008.

In determining the sentence, Judge Sheridan consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, was not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun, in Newark; and U.S. Postal Inspectors, under the direction of Postal Inspector In Charge David L. Collins.

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Defense Counsel: David Feingold, Esq., Palm Beach Gardens, Fla.