

NEWS

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FOR IMMEDIATE RELEASE
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Former Bank Employee Sentenced to 76 Months in Prison for Scheme to Steal \$2.5 Million from Bank Customers

– Restitution Hearing Scheduled for December –

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NEWARK – A Clark man was sentenced today to 76 months in federal prison for his scheme to defraud customers of two banks where he had been employed of more than \$2.5 million, U.S. Attorney Paul J. Fishman announced.

After imposing the sentence, U.S. District Judge Peter G. Sheridan revoked bail for Carlos Pinho and ordered him detained immediately to begin serving the sentence. A hearing to determine the amount of restitution Pinho will have to pay to his victims was scheduled for Dec. 15. Judge Sheridan also ordered Pinho to serve four years of supervised release upon completion of his custodial sentence.

“This was a classic Ponzi scheme perpetrated by someone who ingratiated himself with his victims for the purpose of stealing from them,” said Fishman. “The victims incurred huge losses from the scheme and Pinho’s betrayal, for which the defendant deserves harsh punishment and a restitution order for the damage he inflicted.”

At the sentencing hearing, approximately 20 victims – many of them friends and relatives from Pinho’s Portuguese-American ethnic community – appeared in the courtroom, four of whom testified about their losses.

Pinho, 51, pleaded guilty on June 17 to a one-count Information charging him with mail fraud. The defendant was free on a \$250,000 secured bond pending sentencing.

At his plea hearing, Pinho admitted that from 2001 through Jan. 21, 2009, he was employed by two banks – which the Information identified only as “P.B.A.” and “C.B.” – as either a customer service associate or a business development associate. He admitted that during that time he operated a scheme to steal customers’ funds by having them invest in fraudulent CDs.

Pinho admitted that he told banking customers he could help them invest in CDs that had higher interest rates than the market rate. Pinho admitted he took funds from various customers and, instead of using those funds to purchase CDs, deposited those funds into bank accounts that he controlled. Furthermore, Pinho admitted he created and issued fraudulent receipts to investors, purportedly from the bank at which he was employed at that time, to make it appear that a specified amount of money had been invested in an actual CD. Pinho continued his scheme by repaying customers who demanded withdrawals from the purported CDs, he admitted.

Pinho admitted that he used the funds, which had been fraudulently obtained, for his own personal use and to repay some investors who demanded withdrawals from these fraudulent CDs.

In determining an actual 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.

Fishman credited Special Agents of the FBI, under the direction of Special Agent in Charge Weysan Dun in Newark with the investigation of Pinho.

The government was represented by Assistant U.S. Attorney Grace Park of the U.S. Attorney's Office Securities and Healthcare Fraud Unit.

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Defense Attorney: Rubin Sinins, Esq. Newark