

# Department of Justice

United States Attorney Kathleen Mehlretter  
Western District of New York

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## **COLEMAN SENTENCED IN INVESTMENT FRAUD CASE**

BUFFALO, N.Y.-- Jeffrey J. Coleman., 30, of Buffalo, New York, was sentenced on August 28, 2009 to thirty-three months in prison, followed by three years of supervised release, United States Attorney Kathleen M. Mehlretter announced. Chief U.S. District Judge Richard J. Arcara also ordered Coleman to pay restitution to victims in the amount of \$558,500.00.

Assistant U.S. Attorney MaryEllen Kresse, who prosecuted the case, said Coleman pled guilty on May 12, 2009, to wire fraud in connection with an investment scheme in which individuals were told that they were investing in AAA government-rated bond paper - a type of bond that was backed by the government and therefore guaranteed. Coleman told investors that the bond paper could be bought and sold in such a way that they would receive a significant return on their investment within approximately sixty days. Coleman told investors that he himself had invested money in the AAA government-rated bonds in order to obtain funds for a hockey facility project he called The Hockey Barn, and that their investments were secured by an interest in the Hockey Barn project.

From November 2006 through April 2007, Coleman obtained \$400,000 from five investors. The money was used by Coleman to purchase tickets for the Super Bowl, NCAA tournament games, trips to Florida and Italy, gambling, and day-to-day living expenses. None of the money was invested in AAA government-rated bonds because AAA government-rated bonds do not exist.

In June 2007, after becoming aware that he was under investigation by the Federal Bureau of Investigation, Coleman solicited a 91-year old Florida man to provide start-up costs for the Hockey Barn project. Ultimately, this individual wire-transferred \$60,000 to Coleman, who used the majority of the funds to pay his day-to-day living expenses, not to invest in the Hockey Barn project. In August 2007, Coleman persuaded the Florida victim to invest another \$100,000 in an entity called EBI International LLC. As proof of the investment and a guarantee of

repayment, Coleman gave the Florida victim a promissory note signed by Coleman as president and secretary of Preferred Ventures Inc., a company which he incorporated in July 2007, listing his mother as the sole officer.

As of the time of sentencing, none of the investors had received the earnings promised by Coleman or received their principle investments back.

Coleman's conviction was the result of an investigation by the Federal Bureau of Investigation under the direction of Special Agent In-Charge James H. Robertson.