

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

CALIFORNIA MAN PLEADS GUILTY TO COUNTERFEIT CHECK SCHEME

BUFFALO, N.Y.--U.S. Attorney William J. Hochul, Jr. announced today that Michael John Grady, 55, of Stockton, California, pleaded guilty to possession of counterfeit securities before Chief U.S. District Judge William M. Skretny. The charge carries a maximum penalty of 10 years in prison, a \$250,000 fine or both.

Assistant U.S. Attorney Paul J. Campana, who is handling the case, stated that between October 2011 and January 2012, Grady aided Robert Shobert, 23, also of Stockton California, in passing counterfeit MoneyGram checks at Home Depot locations in Louisiana, Georgia, New Jersey, Massachusetts, New York and other states. On January 18, 2012, the defendant and Shobert were arrested at the Rainbow Bridge.

The two men had inadvertently driven their car across the Rainbow Bridge towards Canada and were turned back on the Canadian side. Their vehicle was inspected on the U.S. side of the border by U.S. Customs and Border Protection (CBP) Officers and Immigration and Customs Enforcement (ICE) Agents. The officers and agents found unopened Home Depot merchandise such as locks and electrical and plumbing equipment, as well as 19 counterfeit MoneyGrams in amounts of \$1,000 and \$500. More than \$5,000 in cash also was seized from the car. The scheme involved using counterfeit checks to purchase the merchandise and returning it for cash refunds. The fraudulent transactions were caught on store video surveillance. Grady did not appear in the videos. The loss totaled approximately \$76,000.

Robert Shobert is also facing a charge of possession of counterfeit securities. The fact that a defendant has been charged with a crime is merely an accusation and the defendant is presumed innocent until and unless proven guilty.

The plea is the culmination of an investigation by investigation by Special Agents of the Immigration and Customs Enforcement, Homeland Security Investigations, under the direction of Special Agent In-Charge James C. Spero.

Sentencing is scheduled for August 2, 2012 at 9:00 a.m. Grady remains in custody and has been detained since his arrest.

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