

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

TWO ROCHESTER BUSINESS MEN INDICTED ON FRAUD AND MONEY LAUNDERING CHARGES

ROCHESTER, N.Y. -- U.S. Attorney William J. Hochul, Jr. announced today that a federal grand jury in Rochester has returned a 12-count Indictment charging Kenneth M. Griffin, 45, and Brian K. Campbell, 73, both of Rochester, N.Y., with defrauding a significant number of companies involved in the "factoring" industry, as well as charges related to money laundering. The charges carry a maximum penalty of 20 years in prison, a fine of \$500,000, or both.

Assistant U.S. Attorney John J. Field, who is handling the case, stated that according to the Indictment, Kenneth Griffin, operating behind the scenes, controlled a local employment staffing business that he put in the names of various nominee owners. Together with Brian Campbell, who handled the financial aspects of the business, the defendants created more than \$600,000 worth of fake accounts receivable that they supported with false invoices and forged employee time-sheets. The defendants then sold these fake accounts receivable to several companies involved in the financing and collecting of accounts receivable, a particular type of business transaction known as "factoring."

The factoring companies paid for the false accounts receivables by wiring money to Comdata Corporation, a company that provides private debit-card services. Once the money was in the Comdata account, Campbell loaded the money onto various debit cards that could be used at ATMs to withdraw cash. The loaded debit cards were given to low-level employees, with instructions to withdraw money from the cards until they were empty, and to return the cash to Griffin. These efforts allowed Griffin and Campbell to profit from the crimes while concealing their involvement in the crimes. Because the underlying accounts receivable were false, the factoring companies were not able to collect on the amounts allegedly owed for the fictitious accounts, with the result that the factoring companies suffered financial losses amounting to the money first provided to the defendants' businesses.

The Indictment is the culmination of an investigation on the part of Special Agents of the Internal Revenue Service, Criminal Investigation Division, under the direction Acting Special Agent in Charge Toni Weirauch, the Federal Bureau of Investigation, under the direction of Special Agent in Charge Christopher M. Piehota, and the United States Postal Inspection Service, under the direction of Inspector in Charge Kevin Niland.

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.

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