

Department of Justice

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MAN SENTENCED IN PONZI SCHEME

BUFFALO, N.Y.--Richard Piccoli, 83, of Amherst, New York, who was convicted of mail fraud and filing a false tax return on June 8, was sentenced to the maximum term of imprisonment by U.S. District Judge William M. Skretny, U.S. Attorney Kathleen M. Mehlretter of the Western District of New York announced today. Piccoli was ordered to serve 20 years in jail on the mail fraud count, and 5 years on the tax fraud count, to be served concurrently.

Assistant U.S. Attorney Gretchen L. Wylegala, who handled the case, stated that the defendant had been convicted of mail fraud in connection with an extensive Ponzi when "discount mortgage" investment scheme for nearly 30 years. Piccoli admitted targeting Catholic clergy and church goers, advertising his investment services in various area Catholic newspapers. Over the course of the scheme, over 800 people invested their funds with Piccoli and his company, Gen See Capital; while the numbers are still not yet finalized, it appears that the initial estimate that the losses may be near \$20,000,000 to \$25,000,000 will be accurate. Over 500 investors have lost money in the scheme. The sentencing court had received victim impact statements from most of the victims, and heard three victims speak in court as to the financial impact the fraud had on their lives. Judge Skretny denied the defense request for a 6 year sentence, stating that the victims demanded and deserved justice in this case. Piccoli was immediately remanded to the custody of the Bureau of Prisons.

As part of the plea agreement, Piccoli, along with the company, which entered a corporate plea, agreed to pay restitution. At the time of the arrest, the SEC seized bank accounts and other assets which total approximately \$5,000,000. With Piccoli's cooperation, another \$1,000,000 in assets is expected to be available for restitution. The details of the restitution, and the amounts each victim can expect to recover will be determined at a later proceeding. The SEC is taking the lead in the analysis, and additional time is needed. The District Court set January

11, 2010 as the date by which the victim's losses must be determined.

<http://www.projectsafekidhood.gov/>

The conviction was the culmination of an investigation on the part of Special Agents of the United States Postal Inspection Service, under the direction of Robert Malaby, Acting Inspector in Charge as well as Special Agents of the Internal Revenue Service Criminal Investigative Division, under the direction of Special Agent in Charge, Patricia J. Haynes. .