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PRESS RELEASE

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The United States Attorneys for the District of Vermont and the Northern District of New York announced that a federal grand jury in Albany, New York today returned a four-count indictment charging Carol Capoccia, 54, of Guilderland, New York, with obstructing a federal grand jury investigation, interfering with a federal forfeiture proceeding, and structuring deposits and withdrawals of cash to avoid having a bank file a report of a cash transaction involving more than \$10,000. The United States District Court in the Northern District of New York will schedule an arraignment for Ms. Capoccia at which time she will enter a plea to the charges. No arraignment date has yet been set.

In March 2003, a federal grand jury in Vermont indicted Carol Capoccia, her husband Andrew Capoccia and five other defendants on criminal charges stemming from the investigation of the Law Centers for Consumer Protection and related debt reduction businesses that commenced operations in Albany but moved to Vermont in 2000. The Law Centers went bankrupt in January 2003 owing thousands of former clients millions of dollars in pre-paid fees and other monies. The charges accused Andrew Capoccia and four other defendants with misappropriating the missing funds. The indictment did not charge Carol Capoccia with crimes in relation to the operations of the Law Centers, but did accuse her of attempting to obstruct the criminal investigation by having a housekeeper remove documents during a court-ordered search of her home by law enforcement authorities, and by dissipating money from a bank account that the court had ordered frozen.

During pre-trial proceedings in Vermont, the charges against Carol Capoccia were dropped without prejudice to renewal. Eventually, all defendants charged with the fraud upon the Law Centers, including Andrew Capoccia, either pleaded guilty or were convicted after trial.

Today's indictment contains charges that are similar to those originally prosecuted against Carol Capoccia in Vermont. In addition, the new indictment accuses Ms. Capoccia of making seven withdrawals of cash, each for slightly less than \$10,000,

over the course of about a month in the fall of 2001 from an account she controlled at Key Bank in New York. According to the indictment, she then deposited most of the withdrawn funds into an account in the name of her son in a series of cash deposits, each of which was for a little less than \$10,000. It is not illegal to conduct cash transactions involving more than \$10,000 in currency, but the bank must report each such transaction to the Secretary of the Treasury. It is a federal crime for an individual knowingly to structure a series of cash transactions in an effort to prevent a financial institution from filing the necessary currency transaction reports.

The United States Attorneys emphasize that the charges in the indictment are merely accusations and that the defendant is presumed innocent unless and until she is proven guilty.

Capoccia faces up to ten years of imprisonment on the obstruction charge and up to five years of imprisonment on the other charges. The maximum fine on each count is up to \$250,000. The actual sentence in the event of conviction would be determined with reference to federal sentencing guidelines.

This case was investigated by the Federal Bureau of Investigation, Burlington, Vermont Resident Agency of the Albany Division, the New York State Attorney General's Office and the New York State Police.

Carol Capoccia is represented by E. Stewart Jones of Troy, New York. The case is being prosecuted by Vermont Assistant U.S. Attorneys Gregory Waples and James Gelber, who prosecuted the original charges in Vermont. They have been appointed Special Assistant U.S. Attorneys in the Northern District of New York for the purpose of handling the case.