

NEWS

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FOR IMMEDIATE RELEASE
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Former Bank Employee Admits Operating Scheme to Steal \$2.5 Million from Banking Customers

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NEWARK – A Clark man pleaded guilty today in connection with his scheme to defraud customers of two banks at which he was employed, admitting he stole more than \$2.5 million in customer funds, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

Carlos Pinho, 49, pleaded guilty before U.S. District Judge Peter G. Sheridan to a one-count Information charging him with mail fraud. The defendant is free on a \$250,000 secured bond pending sentencing, which is scheduled for Sept. 21, 2009.

At his plea hearing, Pinho admitted that from 2001 through Jan. 21, 2009, during which time he was employed by two banks, which the Information identifies only as “P.B.A.” and “C.B.,” as either a customer service associate or a business development associate, he operated a scheme to steal customers’ funds by having them invest in fraudulent CDs.

Pinho admitted he told banking customers that he could help them invest in CDs that had higher interest rates than the market rate. Pinho admitted he took funds from various customers and, instead of using those funds to purchase CDs, deposited those funds into bank accounts that he controlled. Furthermore, Pinho admitted he created and issued fraudulent receipts to investors, purportedly from the bank at which he was employed at that time, to make it appear that a specified amount of money had been invested in an actual CD. Pinho continued his scheme by repaying customers who demanded withdrawals from the purported CDs, he admitted.

Pinho admitted that he used the funds, which had been fraudulently obtained, for his own personal use and to repay some investors who demanded withdrawals from these fraudulent CDs.

“Our hope is that criminals take the conviction of Mr. Pinho as a sign of things to come in terms of the government's aggressive pursuit of those who commit financial fraud,” said Weysan Dun, Special Agent In Charge of the FBI's Newark field office. “Beware that the FBI will be relentless in exposing and prosecuting these schemes that have stolen colossal sums of money from hard-working, trusting Americans. This task is necessary to restore faith in our markets and faith in our nation's financial future and to help stop the financial bleeding in our economy. I congratulate the agents and the U.S. Attorney's office on the successful outcome of this endeavor.”

The charge of mail fraud carries a maximum penalty of 30 years in prison and a fine of \$1 million or twice the aggregate loss to the victims or gain to the defendants. Additionally, as part of his guilty plea, Pinho will be held responsible to pay restitution to the victims of his crimes.

In determining an actual sentence, Judge Sheridan will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Marra credited Special Agents of the FBI, under Dun's direction, with the investigation leading

to today's guilty plea.

The government is represented by Assistant U.S. Attorney Grace Park of the U.S. Attorney's Office Securities and Healthcare Fraud Unit.

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Defense Attorney: Rubin Sinins, Esq. Newark