



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York



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**WESTCHESTER ACCOUNTANT SENTENCED IN MANHATTAN
FEDERAL COURT TO FIVE YEARS IN PRISON FOR \$2 MILLION
FRAUD SCHEME**

Preet Bharara, the United States Attorney for the Southern District of New York, announced that LAURENCE M. BROWN, an accountant in Westchester County, New York, was sentenced today by U.S. District Judge Miriam G. Cedarbaum to five years in prison for his role in a \$2 million fraud scheme. BROWN pled guilty to securities fraud, wire fraud, and money laundering in September 2011.

According to the Complaint and Superseding Indictment filed in this case, as well as admissions made by BROWN during the guilty plea proceeding:

During the relevant time period, BROWN was a principal and a general partner at an accounting firm located in Armonk, New York (the "Accounting Firm"). From January 2008 to June 2010, BROWN and his business partner induced at least ten people, including clients of the Accounting Firm, to invest over \$2 million in a company that held a non-functioning gas pipeline in Tennessee (the "Gas Pipeline Company"). BROWN made false representations to investors that the pipeline was operative, that he was President of the Gas Pipeline Company and that their money would be used to upgrade the pipeline. In fact, BROWN took the vast majority of investor funds for his personal use, for his family and others. Additionally, approximately \$136,550 of investor money was used to make payments to other investors.

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In addition to the prison term, Judge Cedarbaum sentenced BROWN, 64, of Katonah, New York, to two years of supervised release and ordered him to pay a \$400 special assessment fee. Restitution will be determined at a later date.

Mr. Bharara praised the work of the Criminal Investigators of the United States Attorney's Office, and thanked the U.S. Securities and Exchange Commission for its assistance in the case.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, on which Mr. Bharara serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to

investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

The case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys Virginia Chavez Romano and Eugene Ingoglia are in charge of the prosecution.

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