



*United States Attorney
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FOR IMMEDIATE RELEASE
MAY 10, 2006

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**EX-STOCKBROKER SENTENCED TO 40 MONTHS IN U.S. PRISON
FOR DEFRAUDING FORMER CLIENTS OF MILLIONS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that former stockbroker JOSEPH C. KANE, JR., was sentenced today in White Plains federal court to 40 months in jail for defrauding eight private investors and two charitable institutions of \$2.6 million, and laundering the proceeds of the fraud. United States District Judge COLLEEN McMAHON imposed a three-year term of supervised release and restitution of approximately \$2.6 million. Judge McMAHON stated at sentencing that KANE's thievery was abhorrent and that only a severe sentence would provide just punishment for the thefts and possibly deter KANE from future frauds.

In September of 2005 KANE admitted in federal court that he told individuals and entities that he was investing their money in bonds, mutual funds and other documented investments and that he then put their money to different uses, including the payment of personal expenses and to repay other victims. When confronted by his victims KANE made numerous false and misleading representations about their supposed investments. A victim of KANE's fraud told the court at sentencing how she had lost her entire retirement savings of \$300,000 to KANE, who repeatedly lied to her about her supposed investment.

Judge McMAHON at sentencing that she was imposing a substantial sentence, in part, because KANE is a recidivist who continued his fraudulent activities after a prior prosecution for securities violations. On October 16, 1998, KANE was convicted of securities fraud in connection with his dealings with a client at Dean Witter, and was sentenced to four years of probation. Thereafter, the Securities and Exchange Commission initiated

civil proceedings and on April 11, 2002, entered a partial final consent judgment against Kane, permanently enjoining him from violating the antifraud provisions of the federal securities laws. On March 31, 2003, a District Court judge issued an Order imposing a \$200,000 civil penalty against KANE. According to statements made in court, much of KANE's fraudulent conduct in the current case took place while he was on probation in connection with his securities fraud conviction.

KANE, 50, is a resident of New Canaan, Connecticut.

Mr. GARCIA praised the investigative efforts of the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation Division.

Assistant United States Attorney CYNTHIA K. DUNNE is in charge of the prosecution.

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