



*United States Attorney  
Southern District of New York*



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CONTACT: U.S. ATTORNEY'S OFFICE  
ELLEN DAVIS,  
EDELI RIVERA,  
JESSIE ERWIN  
PUBLIC INFORMATION OFFICE  
(212) 637-2600

**FORMER SMITH BARNEY FINANCIAL ADVISOR PLEADS GUILTY  
IN MANHATTAN FEDERAL COURT TO FRAUD CHARGES**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that SANJEEV JAYANT KUMAR SHAH, a former financial services advisor at Smith Barney, pled guilty today to securities fraud and wire fraud stemming from his involvement in a scheme to defraud clients of Smith Barney and Citigroup Inc. of over \$3 million. SHAH pled guilty before U.S. Magistrate Judge THEODORE H. KATZ in Manhattan federal court.

According to the four-count Information filed today in Manhattan federal court, and statements made during today's guilty plea proceeding:

In or about March 2009, SHAH fabricated and then emailed documents that purported to be from representatives of a foreign bank ("Client-2") authorizing Smith Barney to execute at least two separate electronic transfers of funds, totaling approximately \$3.25 million from Client-2's account at Smith Barney to an account held by another entity (the "Entity") at another, foreign bank (the "Offshore Bank").

SHAH also falsely told the representatives of Client-2 that the transfers were necessary to purchase bonds that he previously had recommended to Client-2. That same day, and again on or about the following day, SHAH represented to Client-2 that he would send statements to Client-2 reflecting the purported purchase of the bonds. After engineering the fraudulent transfer of Client 2's funds, SHAH sought to cover up his scheme by telling the representatives of Client-2 that a technical error on Smith Barney's computer system temporarily prevented the bonds from appearing in the online account statement. SHAH reiterated that he had in fact purchased the bonds for Client-2.

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The Information charges SHAH with one count of securities fraud and three counts of wire fraud. The securities fraud count carries a maximum sentence of twenty years in prison and a maximum fine of the greater of \$5,000,000 or twice the gross gain or loss from the offense. Each of the wire fraud counts carries a maximum sentence of thirty years in prison, and a maximum fine of the greater of \$1,000,000 or twice the gross gain or loss from the offense. The Information also seeks forfeiture from SHAH of the property that constitutes or is derived from proceeds traceable to the commission of the offenses charged.

SHAH, 35, resides in New York, New York. He is scheduled to be sentenced on February 24, 2011, by U.S. District Judge William H. Pauley III.

Mr. BHARARA praised the investigative work of the Criminal Investigators of the U.S. Attorney's Office for the Southern District of New York and thanked them for their 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.

Assistant U.S. Attorney SEAN S. BUCKLEY is in charge of the prosecution.