

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **CRIMINAL NO: 14-191**

v. : **DATE FILED: July 22, 2014**

WILLIAM BUCCI : **VIOLATIONS:**

: **15 U.S.C. §§ 78j(b), 78ff and 17 C.F.R. § 240.10b-5 (securities fraud - 1 count)**

: **18 U.S.C. § 1341 (mail fraud – 4 counts)**

: **26 U.S.C. § 7206(1) (subscribing a false income tax return - 5 counts)**

: **18 U.S.C. § 1014 (mortgage fraud – 1 count)**

: **Notice of forfeiture**

SECOND SUPERSEDING INDICTMENT

COUNT ONE

THE GRAND JURY CHARGES THAT:

BACKGROUND

At all times material to this indictment:

1. Defendant WILLIAM BUCCI, a resident of Philadelphia, Pennsylvania, was a registered representative under the Financial Industry Regulatory Authority (“FINRA”) and was associated with several different brokerage firms. From in or about April 2002 to in or about April 2007, defendant BUCCI was associated with Ryan Beck and Co. (“Ryan Beck”). From in or about April 2007 to in or about August 2011, defendant BUCCI was associated with Oppenheimer and Co., Inc. (“Oppenheimer”). From in or about August 2011 to in or about April 2012, defendant BUCCI was associated with DVFG Advisors, LLC (“Delaware Valley”).

2. As a registered representative, defendant WILLIAM BUCCI was subject to FINRA rules 3030 and 3040. Rule 3030 provides that a registered representative may not engage in any outside business activity unless he has provided prompt written notice to his or her brokerage firm. Rule 3040 provides that a registered representative must not engage in private securities transactions that are not approved for sale by his or her brokerage firm, a practice known as “selling away.” Defendant WILLIAM BUCCI attended the Admiral Farragut Academy (“Admiral Farragut”), a naval preparatory school, for one year.

3. Defendant WILLIAM BUCCI was a member of the Order Sons of Italy in America (“OSIA”), the largest and oldest Italian American fraternal organization in the United States. From 2003 to 2007, defendant BUCCI was the Pennsylvania President of OSIA. Defendant BUCCI met a number of prospective brokerage clients through the OSIA.

4. From 2006 to 2011, defendant WILLIAM BUCCI was a non-lawyer elector on the Pennsylvania Court of Judicial Discipline. Defendant BUCCI printed up business cards and letterhead bearing the title “Honorable William D. Bucci.”

5. As a registered representative for Ryan Beck, Oppenheimer, and Delaware Valley, defendant WILLIAM BUCCI handled the investment accounts for the following customers, all of whom are known to the Grand Jury:

- (a) A.D. and G.D., a married couple;
- (b) D.C.;
- (c) D.V. and J.V., a married couple;
- (d) M.M. and D.M., a married couple;
- (e) Fr. M.M., a Catholic Priest;
- (f) L.H. and G.H., a married couple; and

(g) M.S.

THE SCHEME TO DEFRAUD

6. Beginning as early as 2004, defendant WILLIAM BUCCI falsely represented to brokerage clients A.D. and G.D., M.M. and D.M., Fr. M.M., L.H. and G.H., and M.S., that he was starting a business to import high end olive oil and wine from Italy. Defendant BUCCI never had an olive oil and wine business.

7. Defendant WILLIAM BUCCI solicited these brokerage clients to invest in the olive oil and wine business. Defendant BUCCI promised the clients a rate of return of at least 10% on the investment. He also falsely guaranteed to the investors that he would repay principal and interest. Defendant BUCCI was selling away from his brokerage firm as this investment was not approved for sale by his brokerage firm.

8. Defendant WILLIAM BUCCI falsely represented to Fr. M.M. that his investment in the olive oil and wine business would be through Oppenheimer and Co. Defendant BUCCI falsely represented to Fr. M.M. that Oppenheimer was going to pay the interest to defendant BUCCI, and that he, defendant BUCCI, would then pay the investors. In truth, Oppenheimer was not aware of the money Fr. M.M. invested with defendant BUCCI.

9. Defendant WILLIAM BUCCI solicited clients D.C. and D.V. and J.V. to invest with him to get a higher rate of return than they were getting on their other investments. Defendant BUCCI did not specify the investment, but promised a rate of return of at least 10% per year. He also falsely guaranteed to the investors that he would repay principal and interest. Defendant BUCCI was selling away from his brokerage firm as this investment was not approved for sale by his brokerage firm.

10. In 2010, defendant WILLIAM BUCCI solicited B.S., who was not a brokerage client, to invest in the olive oil and wine business. Defendant BUCCI promised B.S. a rate of return of at least 10% per year on this investment. He also falsely guaranteed to the investors that he would repay principal and interest.

11. Defendant WILLIAM BUCCI told prospective investors that he was a judge on the Pennsylvania Court of Judicial Discipline.

12. From 2003 to 2010, defendant WILLIAM BUCCI obtained at least \$1,284,000 from A.D. and G.D., D.C., D.V. and J.V., M.M. and D.M., Fr. M.M., L.H., G.H., M.S., and B.S. which he represented would be invested in an olive oil and wine business or another investment.

13. Although defendant WILLIAM BUCCI never used the money he obtained from A.D. and G.D., D.C., D.V. and J.V., M.M. and D.M., Fr. M.M., and B.S. to invest in an olive oil and wine business or any other investment, defendant BUCCI, in order to lull victims into falsely believing that their investments were earning interest, used some investors' money to make interest or other payments to other investors.

14. Starting in or about June 2009, defendant WILLIAM BUCCI solicited what he described as loans from people he knew through Admiral Farragut. Defendant BUCCI used these funds to support his lifestyle and to make interest payments to investors.

15. Between in or about September 2009 and in or about October 2010, defendant WILLIAM BUCCI solicited loans from C.S. Defendant BUCCI used some of these funds to make interest payments to investors.

16. Defendant WILLIAM BUCCI falsely assured investors that he would repay them in full, well knowing that he would, and could, not do so.

17. At some point after providing funds to defendant WILLIAM BUCCI, A.D. and G.D. asked defendant BUCCI about the status of their investment in the olive oil and wine business. Defendant BUCCI then falsely represented to A.D. and G.D. that they were no longer invested in an olive oil and wine business, but were invested in real estate.

18. As a result of the scheme executed by defendant WILLIAM BUCCI, investors entrusted in excess of \$1,284,000 to him between in or about November 2003 and on or about December 31, 2010, including, but not limited to, the investors described above as set forth below:

| Investor(s) | Approximate Amounts of Money Invested with Defendant BUCCI |
|--------------------|---|
| A.D. and G.D. | \$425,000 |
| D.C. | \$125,000 |
| D.V. and J.V. | \$100,000 |
| M.M. and D.M. | \$495,000 |
| Fr. M.M. | \$39,000 |
| L.H. and G.H. | \$21,000 |
| M.S. | \$26,000 |
| B.S. | \$100,000 |

19. From in or about November 2003, and continuing until on or about December 31, 2010, in the Eastern District of Pennsylvania, and elsewhere, defendant

WILLIAM BUCCI

unlawfully, knowingly, and willfully, by the use of the means and instrumentalities of interstate commerce and the mails, directly and indirectly used and employed manipulative and deceptive devices and contrivances in connection with the offer and sale of securities, by: (a) employing devices, schemes, and artifices to defraud; (b) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in transactions, acts, practices and courses of business which operated and would operate as a fraud and deceit upon persons in connection with the purchase and sale of securities, to wit, purported investments through Oppenheimer and Co. and in an olive oil and wine business.

All in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and Title 17, Code of Federal Regulations, Section 24 0.10-b-5.

COUNTS TWO THROUGH FIVE

THE GRAND JURY FURTHER CHARGES THAT:

THE SCHEME

1. From in or about November 2003, to on or about March 8, 2012, defendant

WILLIAM BUCCI

devised and intended to devise a scheme to defraud investors and to obtain money and property by means of false and fraudulent pretenses, representations and promises, and to divert funds to his own use.

MANNER AND MEANS

It was part of the scheme that:

2. Paragraphs 1 through 18 of Count One are realleged here.

3. In addition to soliciting investments, Defendant WILLIAM BUCCI solicited a number of individuals to loan money to him. Defendant BUCCI falsely assured these individuals that he would repay them in full, well knowing that he would, and could, not do so.

4. Beginning in or June 2009, defendant WILLIAM BUCCI solicited loans from the following individuals he knew through Admiral Farragut (the “Admiral Farragut victims”):

- (a) M.B.;
- (b) M.Z. and J.Z., a married couple;
- (c) A.M.;
- (d) D.Y.;
- (e) I.L.;
- (f) J.B.; and

(g) R.P.

5. Defendant WILLIAM BUCCI told all of the Admiral Farragut victims that he was purchasing property at the New Jersey shore. Defendant BUCCI falsely represented to these individuals that he was using the funds to close the deal on the shore property. Defendant BUCCI also falsely represented that he would be able to pay the victims back after he closed the real estate deal

6. Based on the misrepresentations made by defendant WILLIAM BUCCI, between in or about June 2009 and in or about February 2011, the Admiral Farrugut victims gave defendant BUCCI more than \$260,000. Defendant BUCCI did not use any of these funds to purchase real estate. During this period, defendant BUCCI purchased only one piece of real estate. Defendant BUCCI did not put any money down on this property, which was fully financed.

7. In or about October 2011, defendant WILLIAM BUCCI met J.S., who had recently obtained a large settlement from a personal injury lawsuit. Defendant BUCCI told J.S. that he, defendant BUCCI, was a stockbroker and judge of some type. Defendant BUCCI solicited J.S. to invest the settlement money. Defendant BUCCI promised J.S. a significant rate of return. Based on defendant BUCCI's representations, J.S. invested \$185,000 with defendant BUCCI from October to December 2011. Defendant BUCCI used these funds to pay personal expenses and to make payments to earlier victims.

8. Defendant WILLIAM BUCCI, in order to lull victims into falsely believing that their loans were earning interest, used some victims' money to make interest or other payments to other victims.

9. On or about March 5, 2012, defendant WILLIAM BUCCI, in order to lull victims into believing their loans were safe and earning interest, had a conference with a number of the Admiral Farragut victims. On this call, defendant BUCCI falsely represented that he was close to obtaining a large institutional brokerage client that would provide sufficient income to defendant BUCCI to allow him to repay the Admiral Farragut victims.

10. On or about March 8, 2012, defendant WILLIAM BUCCI, in order to lull victims into believing their loans were safe and earning interest sent a letter, via e-mail, to the Admiral Farragut victims. In this correspondence, defendant BUCCI attached a letter from Delaware Valley stating that defendant BUCCI was estimated to earn \$450,000 in 2012. This letter was purported signed by the president of Delaware Valley. In truth, the president of Delaware Valley did not sign the letter defendant BUCCI sent to the Admiral Farragut victims. The president of Delaware Valley prepared a similar letter for defendant BUCCI, which estimated defendant BUCCI's 2012 income to be \$250,000. In the correspondence to the Admiral Farragut victims, defendant BUCCI attached a personal financial statement. This statement did not list any loans or indebted to any individuals.

11. As a result of the scheme executed by defendant WILLIAM BUCCI, victims entrusted in excess of \$3.2 million to him between in or about November 2003 and on or about December 2, 2011, including, but not limited to, the investors described above as set forth below:

| Investor(s) | Approximate Amounts of Money |
|--------------------|-------------------------------------|
| D.C. | \$125,000 |
| M.M. & D.M. | \$495,000 |
| A.M. & D.M. | \$425,000 |
| B.S. | \$100,000 |
| A.M. | \$25,000 |
| D.Y. | \$20,000 |
| I.L. | \$25,000 |
| J.B. | \$20,000 |
| R.P. | \$20,000 |
| M.B. | \$75,000 |
| D.V.& J.V. | \$100,000 |
| Fr. M.M. | \$39,000 |
| C.S. | \$992,206 |
| J.S. | \$185,000 |
| D.F. | \$120,000 |
| G.V. | \$130,000 |
| R.N. | \$25,000 |
| M.Z. & J.Z. | \$75,000 |
| H.F.C. & B.F.C. | \$110,000 |
| L.H. & G.H. | \$21,000 |
| M.S. | \$26,000 |
| R.P. | \$100,000 |

12. On or about the dates shown below, in the Eastern District of Pennsylvania, and elsewhere, defendant

WILLIAM BUCCI,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by United States mail according to the directions thereon, or a

commercial interstate carrier, that is FedEx, according to the directions thereon, any matter or thing, that is checks to the locations shown below, each mailing constituting a separate count.

| Count | On or About Date | Investor | Origination | Destination |
|--------------|-------------------------|-----------------|--------------------|--------------------|
| 2. | July 22, 2009 | M.B. | Missouri | Pennsylvania |
| 3. | August 9, 2010 | A.M. | West Virginia | Pennsylvania |
| 4. | February 3, 2011 | J.B. | Illinois | Pennsylvania |
| 5. | February 8, 2011 | I.L. | California | Pennsylvania |

All in violation of Title 18, United States Code, Section 1341.

COUNT SIX

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 14, 2008, in Philadelphia and Narberth, in the Eastern District of Pennsylvania, defendant

WILLIAM BUCCI

willfully made and subscribed an Individual Income Tax Return, Form 1040, for the calendar year 2007, which was verified by a written declaration that it was made under the penalty of perjury, which defendant BUCCI did not believe to be true and correct as to every material matter, in that the return reported \$243,524 of total income (line 22) and \$53,266 of taxable income (line 43) for calendar year 2007, when, as defendant BUCCI then and there knew and believed, the total income and taxable income he realized for calendar year 2007 were greater than the amount that he reported.

In violation of Title 26, United States Code, Section 7206(1).

COUNT SEVEN

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 15, 2009, in Philadelphia and Narberth, in the Eastern District of Pennsylvania, defendant

WILLIAM BUCCI

willfully made and subscribed an Individual Income Tax Return, Form 1040, for the calendar year 2008, which was verified by a written declaration that it was made under the penalty of perjury, which defendant BUCCI did not believe to be true and correct as to every material matter, in that the return reported \$213,297 of total income (line 22) and \$49,664 of taxable income (line 43) for calendar year 2008, when, as defendant BUCCI then and there knew and believed, the total income and taxable income he realized for calendar year 2008 were greater than the amount that he reported.

In violation of Title 26, United States Code, Section 7206(1).

COUNT EIGHT

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 15, 2010, in Philadelphia and Narberth, in the Eastern District of Pennsylvania, defendant

WILLIAM BUCCI

willfully made and subscribed an Individual Income Tax Return, Form 1040, for the calendar year 2009, which was verified by a written declaration that it was made under the penalty of perjury, which defendant BUCCI did not believe to be true and correct as to every material matter, in that the return reported \$169,482 of total income (line 22) and \$36,978 of taxable income (line 43) for calendar year 2009, when, as defendant BUCCI then and there knew and believed, the total income and taxable income he realized for calendar year 2009 were greater than the amount that he reported.

In violation of Title 26, United States Code, Section 7206(1).

COUNT NINE

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 15, 2011, in Philadelphia and Narberth, in the Eastern District of Pennsylvania, defendant

WILLIAM BUCCI

willfully made and subscribed an Individual Income Tax Return, Form 1040, for the calendar year 2010, which was verified by a written declaration that it was made under the penalty of perjury, which defendant BUCCI did not believe to be true and correct as to every material matter, in that the return reported \$57,061 of total income (line 22) and \$0 of taxable income (line 43) for calendar year 2010, when, as defendant BUCCI then and there knew and believed, the total income and taxable income he realized for calendar year 2010 were greater than the amount that he reported.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TEN

THE GRAND JURY FURTHER CHARGES THAT:

On or about April 15, 2012, in Philadelphia and Narberth, in the Eastern District of Pennsylvania, defendant

WILLIAM BUCCI

willfully made and subscribed an Individual Income Tax Return, Form 1040, for the calendar year 2011, which was verified by a written declaration that it was made under the penalty of perjury, which defendant BUCCI did not believe to be true and correct as to every material matter, in that the return reported negative \$13,899 of total income (line 22) and \$0 of taxable income (line 43) for calendar year 2011, when, as defendant BUCCI then and there knew and believed, the total income and taxable income he realized for calendar year 2011 were greater than the amount that he reported.

In violation of Title 26, United States Code, Section 7206(1).

COUNT ELEVEN

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Beneficial Mutual Savings Bank was a financial institution located in Philadelphia, Pennsylvania, the deposits of which were insured by the Federal Deposit Insurance Corporation, Certificate No. 15697.

2. On or about February 17, 2012, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

WILLIAM BUCCI

knowingly made and caused to be made to Beneficial Mutual Savings Bank a false statement for the purpose of influencing the actions of Beneficial Mutual Savings Bank, upon a loan, that is a \$480,000 loan for the purchase of real property located at 3010 Ocean Avenue in Brigantine, New Jersey, in that defendant BUCCI caused to be submitted to Beneficial Mutual Savings Bank, false information to obtain a mortgage forbearance agreement in which defendant BUCCI provided an altered letter from his employer indicating that he would earn \$450,000 per year and a financial statement that did not list any indebtedness to individuals who invested with him and loaned money to him, when as defendant well knew, the letter he actually obtained from his employer indicated that he would earn \$250,000 per year and defendant owed significant sums to individuals who invested money with, or loaned money to, him.

In violation of Title 18, United States Code, Section 1014.

NOTICE OF FORFEITURE

1. As a result of the violation of Title 18, United States Code, Section 1341, described in Counts Two Through Five of this Indictment, defendant

WILLIAM BUCCI

shall forfeit to the United States of America any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses. The property to be forfeited includes, but is not limited to the sum of \$3,200,000 (money judgment).

2. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

it is the intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property

of the defendant up to the value of the property subject to forfeiture.

All pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**