

Department of Justice

United States Attorney William J. Hochul, Jr.
Western District of New York

FOR IMMEDIATE RELEASE
JUNE 27, 2011
www.usdoj.gov/usao/nyw

CONTACT: BARBARA BURNS
PHONE: (716) 843-5817
FAX: (716) 551-3051

WILLIAMSVILLE COUPLE SENTENCED ON MONEY LAUNDERING AND TAX FRAUD CHARGES

BUFFALO, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Ralph S. Guastaferrero, Jr. and his wife, Karen, both of Williamsville, New York, were sentenced today by Chief U.S. District Judge William J. Skretny. Ralph Guastaferrero, who was convicted of money laundering, was sentenced to 24 months in prison and fined \$100,000. Karen Guastaferrero, who was convicted of failing to collect and pay over taxes, was sentenced to three years probation, including six months home confinement. She was also ordered to pay restitution in the amount of \$56,670.58 to the Internal Revenue Service.

Assistant U.S. Attorney MaryEllen Kresse, who handled the cases, stated that Ralph Guastaferrero operated a business called Eclipse Processing, Inc. As part of a money laundering scheme, Guastaferrero opened accounts with two payment processing companies in California and Ohio. Those accounts were used by certain unscrupulous telemarketers, many of whom were located in Canada, to process alleged sales of some product or service. However, many of the victims whose checking accounts were debited had never purchased any product or service. After the victims accounts were debited, the payment processing companies transferred the funds to bank accounts controlled by the defendant in Buffalo, New York. Guastaferrero then wire transferred the funds, less a percentage, to the telemarketers in Canada. This was done in an attempt to conceal the nature and source of the funds. The defendant admitted that the total amount of the funds involved in his criminal conduct was \$1.2 million.

Karen Guastaferrero owned and operated Eclipse Glass Tinting, Inc., a glass tinting and automotive accessory business located in Clarence, New York. From 2004 through 2008, Mrs. Guastaferrero employed between five and seven people at the business. Although Guastaferrero had a duty to collect and truthfully account for and pay over federal employment taxes for each of her employees, the defendant was convicted of lying to the IRS about how

many employees she had and how much she paid them, thus intentionally failing to account for and pay over the required federal employment taxes for those employees.

The sentences are the result of an investigation by Immigration and Customs Enforcement, Homeland Security Investigations, under the direction of Special Agent in Charge Lev J. Kubiak; the Internal Revenue Service, under the direction of Special Agent in Charge Charles R. Pine; and the Federal Bureau of Investigation, under the direction of Acting Special Agent in Charge Richard W. Kollmar.