

Department of Justice

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Western District of New York

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MAN PLEADS GUILTY TO MONEY LAUNDERING & TAX FRAUD

ROCHESTER, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today that Gary Shapoff, 61, of Pittsford, New York, pleaded guilty before U.S. District Judge Charles J. Siragusa, to money laundering and tax fraud statutes. Money laundering carries a maximum penalty of 10 years in prison, a fine of up to \$5,000,000 or both. Tax fraud carries a maximum penalty of three years, a fine of \$100,000, or both.

Assistant U.S. Attorney Bradley E. Tyler, who handled the case, stated that between January 2004 and July 2008, the defendant participated in a scheme to defraud investors who had invested approximately \$2.5 million in international currency trading investments through the company Atwood & James S.A. During the course of the scheme, Shapoff used the mail and wire communications to facilitate the execution of the fraud. He also used illegally obtained investor proceeds to promote the scheme, in violation of the federal money laundering provisions, and did not report the gains that he made from the fraud on his individual tax returns.

“This marks the third case in the last two days in which investors turned over their hard earned money to someone they trusted,” said U.S. Attorney Hochul. “I urge the public to be cautious, do your homework, know exactly who it is that you are giving your money to and do not be afraid to ask questions.”

The plea is the culmination of an investigation on the part of Special Agents of the Federal Bureau of Investigation under the direction of Special Agent in Charge Christopher M. Piehota, Special Agents of the United States Postal Inspection Service, under the direction of Robert Bethel, Inspector in Charge, U.S. Postal Inspection Service, Boston Division, and Special Agents of the Internal Revenue Service, Criminal Investigation Division, under the direction of Charles R. Pine, Special Agent in Charge of the New York Field Office.

Sentencing is scheduled for December 14, 2011, in Rochester, N.Y., before Judge Siragusa.

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