



*United States Attorney
District of New Jersey*



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**BERGEN COUNTY, NEW JERSEY WOMAN CHARGED WITH WIRE FRAUD FOR
SOLICITING MILLIONS IN INVESTMENTS IN PHONY WHOLESALE COMPANY**

NEWARK, N.J. – The owner of a wholesale merchandise broker in Carlstadt, N.J., surrendered to law enforcement this morning for allegedly soliciting investments in her business – which was actually a multimillion-dollar Ponzi scheme, U.S. Attorney Paul J. Fishman announced.

Janifer Devine, 39, of Fair Lawn, N.J., surrendered this morning in Newark to FBI special agents to face a criminal Complaint charging her with wire fraud. She is scheduled for an initial appearance and bail hearing this afternoon before United States Magistrate Judge Patty Shwartz in Newark federal court.

U.S. Attorney Fishman stated: “As alleged in the Complaint, Devine’s wholesale business was wholesale fraud. Victims who were promised huge returns paid the tab for the defendant’s vacation and designer goods. This case reminds investors: always be wary of a sure thing.”

“It is a difficult thing to convince people to be prudent and cautious with their financial investments when people like Ms. Devine make grandiose promises,” said Assistant Special Agent in Charge David Velazquez of the FBI’s Newark Office. “Criminals know how easily greed can override good judgment and they use that basic human flaw to victimize other people. We hope this matter will serve the public as an educational tool in preventing investment fraud as the disruption and dismantling of these schemes remains an important part of our work at the FBI and with our partners.”

According to the Complaint:

From December 2008 through September 2010, Devine, through Devine Wholesale, solicited investors from New Jersey and throughout the United States, telling them that she would use their money to fund her wholesale clothing and electronics business. To induce the investors to make short term investments of between 30 and 60 days, Devine promised to pay huge returns – usually 25 percent (which on an annual basis, would be in excess of 200 percent). Devine also showed some investors fake inventory lists of products she claimed to be reselling.

As a result, more than 15 investors sent over \$8 million to Devine and her company.

In reality, Devine Wholesale had no active wholesale clothing or electronics business

during the relevant time period, and had virtually no business sales. Devine instead used new investor funds to make principal and interest payments to existing investors, as well as to fund her own lifestyle. Devine stole tens of thousands of dollars to pay for personal expenses, including a Royal Caribbean cruise and purchases at luxury retailers such as Burberry, Gucci and Coach. Devine also transferred over \$26,000 to her mother, who had no role with Devine Wholesale.

To date, the investigation has revealed that Devine caused investor losses of at least \$2 million.

The criminal Complaint charges Devine with one count of wire fraud. If convicted, she faces a maximum potential penalty of 20 years in prison and a fine of up to \$1 million.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, for the investigation leading to today's Complaint.

The government is represented by Assistant U.S. Attorney Matthew E. Beck of the U.S. Attorney's Office Economic Crimes Unit in Newark.

The charge and allegations contained in the Complaint are merely accusations, and the defendant is considered innocent unless and until proven guilty.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force. 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.

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Defense counsel: Dennis Calo, Esq., River Edge, N.J.