



*United States Attorney  
Southern District of New York*



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**WESTCHESTER ACCOUNTANT PLEADS GUILTY IN MANHATTAN  
FEDERAL COURT IN \$2 MILLION FRAUD SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that LAURENCE M. BROWN, an accountant in Westchester County, New York, pled guilty yesterday to charges of securities fraud, wire fraud, and money laundering, arising out of a \$2 million fraud scheme. BROWN pled guilty before U.S. District Judge MIRIAM G. CEDARBAUM.

Manhattan U.S. Attorney PREET BHARARA said: "Laurence Brown used his position as an accountant to dupe his clients and other investors into believing they were making sound investments. He took advantage of their trust for his own personal enrichment, and now he will pay for his crimes."

According to the Complaint and Superseding Indictment filed in this case, as well as admissions made by BROWN during the guilty plea proceeding:

During the relevant time period, BROWN was a principal and a general partner at an accounting firm located in Armonk, New York (the "Accounting Firm"). From 2008 to June 2010, BROWN, together with his business partner, induced at least ten people, including clients of the Accounting Firm, to invest over \$2 million in a company that held a gas pipeline in Tennessee (the "Gas Pipeline Company"). BROWN made false representations to investors that he was President of the Gas Pipeline Company and that their money would be used to upgrade the pipeline. In fact, BROWN took the vast majority of investor funds for his personal use, as well as that of his family and others. Additionally, approximately \$136,550 of investor money was used to make payments to other investors.

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BROWN, 64, of Katonah, New York, faces a statutory maximum sentence of 70 years in prison. He is also subject to mandatory restitution and faces criminal fines up to \$5 million.

He is scheduled to be sentenced on November 17, 2011.

Mr. BHARARA praised the work of the Criminal Investigators of the United States Attorney's Office, and thanked the U.S. Securities and Exchange Commission for its 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.

The case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorneys VIRGINIA CHAVEZ ROMANO and EUGENE INGOGLIA are in charge of the prosecution.

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