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and Investor Fraud Scheme

Randall Silver, 43, of New Hyde Park, N.Y., pleaded guilty on December 13 to one count of conspiracy to commit wire fraud, bank fraud and money laundering, and one count of wire fraud. SILVER was a Vice-President of Finance and Chief Financial Officer at the Oxford Collection Agency, Inc.

Dec. 26, 2012

David B. Fein, the United States Attorney for the District of Connecticut, has announced that three more executives of Oxford Collection Agency, Inc., have pleaded guilty in Bridgeport federal court to charges stemming from a \$10 million fraud scheme. Oxford Collection Agency was a private financial services company that engaged in accounts receivables management, primarily debt collecting, with offices in New York, Pennsylvania and Florida.

Randall Silver, 43, of New Hyde Park, N.Y., pleaded guilty on December 13 to one count of conspiracy to commit wire fraud, bank fraud and money laundering, and one count of wire fraud. SILVER was a Vice-President of Finance and Chief Financial Officer at the Oxford Collection Agency, Inc.

CHARLES HARRIS, 38, of Babylon, N.Y., and CARLOS NOVELLI, 43, of Vero Beach, Fla., pleaded guilty on December 17 and December 18, respectively, to one count of conspiracy to commit wire fraud and bank bribery. HARRIS was an Executive Vice President at the Oxford Collection Agency and NOVELLI was the company's Chief Operations Officer.

According to court documents and statements made in court, various businesses and other entities contracted with Oxford Collection Agency ("Oxford") to collect debts owed them by consumers. Oxford's clients included, among others, an educational institution, a laboratory, a computer company and various banks. Oxford collected

debts from consumers under the pretense that it would report all such collections to

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a client account to Oxford's operating account to cover various shortfalls and backlogs or to improperly use collections to directly fund Oxford's operations.

Starting in April 2007, Oxford secured a line of credit from Connecticut-based Webster Bank, a bank that received funds through the Troubled Asset Relief Program (TARP), without informing Webster Bank about its significant client backlogs or outstanding payroll taxes. Oxford executives, including Richard Pinto, Oxford's Chairman of the Board, and his son, Peter Pinto, Oxford's President and Chief Executive Officer, sent falsified financial statements to Webster Bank. With SILVER's assistance in the fraud scheme, the Webster Bank credit line was increased to \$6 million.

Richard Pinto, Peter Pinto, SILVER and others also laundered funds from the credit line to promote the ongoing fraud scheme against their clients.

During this same period, the Pintos, SILVER and others also solicited millions of dollars in investments from various investors, without ever disclosing to their investors the existence of their backlogs. Some the investor funds were transferred into Richard Pinto's personal bank account without investor knowledge.

Victims lost more than \$10 million as a result of this scheme.

As part of the scheme, certain co-conspirators also paid kickbacks to employees of one or more financial institutions in order to compensate them for providing Oxford with the bank's debt collection business.

In pleading guilty to a wire fraud charge unrelated to the conspiracy offenses, SILVER admitted that he embezzled \$193,963 from Oxford by transferring funds from Oxford's "Client Payables" account at Webster Bank to an account at a New York bank that he controlled.

On May 11, 2012, Richard Pinto and Peter Pinto each pleaded guilty to one count of

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the Troubled Asset Relief Program (SIGTARP), and the Connecticut Securities, Commodities, and Investor Fraud Task Force. The case is being prosecuted by Assistant U.S. Attorney Liam Brennan, Special U.S. Attorney John McReynolds and Deputy U.S. Attorney Deirdre Daly.

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