



# SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL  
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

**FOR IMMEDIATE RELEASE**

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## EXECUTIVES AT DEBT COLLECTION AGENCY ADMIT ROLES IN \$10 MILLION FRAUD SCHEME AND TO DEFRAUDING TARP BANK

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and United States Attorney for the District of Connecticut David B. Fein today announced that Richard Pinto, 68, of Wellington, Fla., and Peter Pinto, 37, of East Quogue, N.Y., each pleaded guilty late Friday, May 11, before United States District Judge Stefan Underhill in Bridgeport to one count of conspiracy to commit wire fraud, bank fraud, and money laundering and to one count of wire fraud stemming from a \$10 million fraud scheme they executed while executives at Oxford Collection Agency.

“No one was safe from these predators,” said Christy Romero, Special Inspector General at SIGTARP. “The Pintos defrauded clients, investors, and TARP recipient Webster Bank in a \$10 million scheme in which they collected debts on behalf of clients, concealed what they truly owed those clients in return for their work, and used Webster Bank to fund their fraud. Individuals committing fraud against TARP banks will be held accountable and brought to justice by SIGTARP and our law enforcement partners.”

“These defendants carried out a significant fraud scheme through which they stole millions of dollars from their company's clients, lenders, and investors,” stated U.S. Attorney Fein. “We are committed to working with IRS-Criminal Investigation, the FBI, and SIGTARP, and the other members of the Connecticut Securities, Commodities and Investor Fraud Task Force, to root out these schemes and prosecute responsible individuals.”

According to court documents and statements made in court, 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. Businesses and other entities contracted with Oxford Collection Agency to collect debts on their behalf. Between approximately January 2007 and March 2011, Richard Pinto served as the Chairman of the Board and was the de facto head of Oxford Collection Agency, and his son, Peter Pinto, served as the President and Chief Executive Officer, overseeing Oxford Collection Agency's daily activities. During that time, the Pintos collected debts on behalf of various clients, including Washington Mutual Bank, Dell Financial Services, Cogent Communications, Labcorp, and others under the pretense that they would report all such collections to their clients. Instead, the Pintos and others caused Oxford Collection Agency to routinely withhold collected debts from certain clients, running up what was referred to internally as a client's "backlog." The Pintos and others then diverted various funds from their client remittances and used them for their own ends.

Starting in April 2007, the Pintos secured a line from 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. The Pintos and others sent falsified financial statements to Webster Bank, eventually increasing the credit line to \$6 million, and laundered funds from the credit line to promote the ongoing fraud scheme against their clients. During that same period, the Pintos also solicited millions of dollars in investments from various investors, without ever disclosing to their investors the existence of their backlogs. The Pintos also transferred some of the investor funds into Richard Pinto's personal bank account without investor knowledge.

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

Judge Underhill has scheduled sentencing for September 13, 2012, at which time Richard and Peter Pinto face a maximum term of imprisonment of 35 years and a fine of up to approximately \$20 million.

This matter is being investigated by SIGTARP, the Internal Revenue Service - Criminal Investigation, the Federal Bureau of Investigation, and the Connecticut Securities, Commodities and Investor Fraud Task Force. The case is being prosecuted by Assistant U.S. Attorney Liam Brennan, Deputy U.S. Attorney Deirdre Daly, and Special U.S. Attorney Jonathan Francis.

This prosecution was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, which was established to wage an aggressive and coordinated effort to investigate and prosecute financial crimes. SIGTARP is a member of the task force. To learn more about the President's Financial Fraud Enforcement Task Force, please visit [www.stopfraud.gov](http://www.stopfraud.gov).

#### **About SIGTARP**

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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