



## Commonwealth of Kentucky Public Protection Cabinet

**Steve Beshear, Governor**

**Ambrose Wilson IV, Secretary**

**FOR IMMEDIATE RELEASE**

**Contact: Kelly May  
502-782-9031 Direct  
502-229-5068 Cell  
kelly.may@ky.gov**

The following press release was issued by the Office of the United States Attorney Eastern District of Kentucky. The Kentucky Department of Financial Institutions (DFI) assisted in the investigation. The Office of the U.S. Attorney prosecuted the case.

\* \* \* \* \*

### **California Man Convicted of Running Multi-Million Dollar Fraud Scheme in Kentucky**

FRANKFORT, KY - On Friday, Jan. 16, a federal jury convicted a California man of running a bogus oil production enterprise in Kentucky that defrauded investors, nationwide, out of millions of dollars.

The jury convicted John G. Westine, Jr., 69, for 26 counts of mail fraud and one count each of conspiracy to launder funds and securities fraud. Westine was acquitted on one mail fraud count. The jury reached its verdict after six and a half hours of deliberations, following nine days of trial.

According to testimony at trial, Westine and others lured money from investors by making false statements regarding an oil production business. The false statements led investors to believe that oil was being produced, when in fact it was not, and led them to believe that the oil companies had been in the oil production business for decades, when in reality they had only been in existence for less than a year.

Additionally, evidence at trial established that Westine had concealed from investors that he had served more than 22 years in federal prison, for a 1992 conviction for a similar fraud scheme in Ohio, and that he was on parole.

According to voluminous testimony and documents presented by prosecutors, Westine and others used aliases and fictitious company names to conceal their true identity from investors and authorities.

In total, Westine and others defrauded approximately 200 investors out of more than \$3,000,000.

Westine's co-defendant and half-brother, Michael Hicks, pleaded guilty to similar charges and testified for the government at trial.

The investigation started when investors submitted complaints to the Kentucky Department of Financial Institutions, Division of Securities.

Kerry B. Harvey, U.S. Attorney for the Eastern District of Kentucky; Dugan Wong, Inspector in Charge of the U. S. Postal Inspection Service; and Charles Vice, Commissioner of the Kentucky Department of Financial Institutions, jointly announced the verdict.

The investigation was conducted by the U.S. Postal Inspection Service and the Kentucky Department of Financial Institutions, Division of Securities.

Assistant U.S. Attorneys Ken Taylor and Neeraj Gupta are prosecuting this case on behalf of the federal government.

Westine faces a maximum prison sentence of 20 years on each mail fraud count and 20 years for both the securities fraud and money laundering offenses. Under federal law, Westine will have to serve at least 85 percent of his prison sentence. The Court will impose a sentence after carefully considering the U.S Sentencing Guidelines and the federal statutes.

##

Originally released Jan. 16, 2015

By Office of U.S. Attorney Kerry B. Harvey of the Eastern District of Kentucky

[www.usdoj.gov/usao/kye](http://www.usdoj.gov/usao/kye)

Contact: Kyle Edelen

859-685-4811

[Kyle.Edelen@usdoj.gov](mailto:Kyle.Edelen@usdoj.gov)