



Commonwealth of Kentucky Public Protection Cabinet

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FOR IMMEDIATE RELEASE

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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.

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California Man Convicted for Role in Multi-Million Dollar Fraud Scheme in Kentucky

FRANKFORT - Friday, a federal jury in Frankfort, Ky., convicted Henry Irving Ramer, of Encino, Calif., for his role in an oil investment scheme in Kentucky that defrauded over 200 investors, nationwide, out of more than \$3 million.

The jury convicted Ramer, 76, of 21 counts of mail fraud, securities fraud, and conspiracy to launder money. The jury reached its verdicts after six days of trial and five hours of deliberation.

Ramer is the fourth defendant to be convicted in this investment fraud case and faces a maximum statutory sentence of 20 years in prison and a \$5 million fine. Sentencing is scheduled for Sept. 8, 2015, before U.S. District Judge Gregory Van Tatenhove.

According to evidence presented at trial, between 2012 and 2014, Ramer and others raised money from victims by making misrepresentations and failing to disclose material facts about the purported investments in Kentucky oil wells, in Barren, Monroe, and Cumberland Counties. The information provided to investors included fraudulent oil production numbers and did not disclose that one member of the group had been previously convicted in a similar oil investment fraud scheme and was sentenced to 22 years in federal prison.

Ramer and his co-defendants used false identities when communicating with investors, changed company names, and maintained shifting addresses in Bowling Green, Louisville, Covington, and Nashville. Every investor lost all or nearly all of their investment. When charges were brought in August 2014, Ramer and others were already planning a new phase of the scheme, using a new company name.

Ramer worked as a salesman and manager of two Los Angeles-based telemarketing sales operations. He and his team of salespeople cold-called potential investors around the country and convinced many of them to purchase investments. Ramer also created false marketing brochures and a promotional video.

In January 2015, John Westine, a leader of the scheme, was convicted of mail fraud, securities fraud, and money laundering conspiracy after a two-week jury trial. A third member of the scheme, Westine's half-brother, Michael Hicks, pleaded guilty to mail fraud in November 2014. A fourth

member of the scheme, a central Kentucky oil and gas operator named Mark Cornell, pleaded guilty to securities fraud in March 2015.

Any sentences imposed by the Court will come after careful consideration of the U.S. Sentencing Guidelines and the federal statutes governing imposition of sentences.

Under federal law, Ramer must serve at least 85 percent of his prison sentence.

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 made the announcement.

The investigation started when investors submitted complaints to the Kentucky Department of Financial Institutions, Division of Securities. The investigation was conducted by the U.S. Postal Inspection Service, including Postal Inspector Roberta Bottoms, and the Kentucky Department of Financial Institutions, Division of Securities.

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

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

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