



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. These are the third and fourth of four defendants in this case to be sentenced.

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California Man Sentenced to 40 Years for Running Multi-Million Dollar Fraud Scheme in Kentucky

Previously convicted of a similar fraud scheme

FRANKFORT, Ky. – A federal judge has sentenced a California man to 40 years in federal prison, for orchestrating a fraudulent oil production enterprise in Kentucky that defrauded investors, nationwide, out of more than \$3 million.

On Wednesday, U.S. District Judge Gregory Van Tatenhove sentenced John G. Westine, Jr., 69, for mail fraud, conspiracy to launder funds, and securities fraud. Westine was also ordered to pay \$3,042,621 in restitution. One of Westine's co-defendants, Mark Cornell, 56, was sentenced to 114 months in prison, for deception in the purchase and sale of a security. Cornell was ordered to pay \$2,181,414 in restitution.

Westine's sentence was enhanced due to a prior conviction, for running a similar fraud scheme in Ohio. Westine served more than 20 years in prison for his 1992 conviction and was still on parole when he orchestrated the fraud scheme in Kentucky.

According to testimony at trial, Westine, Cornell, and others solicited money from investors, by intentionally making false statements regarding the success of their oil production business. They misled investors to believe that oil was being produced, when in fact it was not, and also misled investors to believe that the oil companies Westine operated had been in the oil production business for decades. Additionally, Westine concealed from investors that he had served more than 20 years in prison for a fraud scheme and was still on parole.

Westine and his co-defendants used aliases and fictitious company names to conceal their true identities from both investors and authorities and they defrauded more than 240 investors,

nationwide. Two of Westine's other co-defendants, Michael Hicks and Henry Irving Ramer, were previously convicted and sentenced, to three years imprisonment and thirteen years imprisonment respectively, for their roles in the scheme.

The investigation was initiated based on investor complaints submitted to the Kentucky Department of Financial Institutions, Division of Securities.

Kerry B. Harvey, U.S. Attorney for the Eastern District of Kentucky; Tommy D. Coke, Inspector in Charge of the U.S. Postal Inspection Service; Pittsburg Division; and Charles Vice, Commissioner of the Kentucky Department of Financial Institutions, jointly made the announcement.

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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