

Nine convictions linked to £70m boiler room fraud

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Two men were today convicted at Southwark Crown Court for their roles in what is believed to be the largest boiler room fraud ever pursued by a UK authority. Their convictions bring to nine the number of individuals convicted in relation to this conspiracy. The convictions and sentences of the other seven last year, in linked cases, can only now be reported fully.

Today's verdicts

Jeffrey Revell-Reade, 49, an Australian national was convicted of one count of conspiracy to defraud in relation to an investigation that was launched by the Serious Fraud Office in 2007. From 2003-2007, a total of around £70m was obtained fraudulently from UK investors under a boiler room fraud scheme he masterminded.

The court heard that Mr Revell-Reade set up the scheme, under which sales entities operating from Madrid sold shares in US-listed companies on a fraudulent basis. Investors in the companies bought shares that had restrictions on their resale for a 12 month period. When the investors came to sell the shares after the expiry of this period, they often found that they were unable to do so as they were worthless, and that the shares were in shell companies or companies that were not operating at all.

Anthony May, 58, who lived in Switzerland and then moved to Spain, was also found guilty of one count of conspiracy to defraud. Mr May administered the processing of shares distributed to investors and managed the finances of the conspiracy, using and managing off-shore bank accounts to distribute the funds obtained as part of the conspiracy.

Mr Revell-Reade and a third defendant, Robert Manning, 63, from Leeds, was found not guilty of one charge of corruption arising from the conduct of the fraud.

SFO Director David Green CB QC said:

“Over 1000 UK investors were defrauded by these criminals, who caused substantial financial damage and hardship. The victims were deliberately charmed, lied to and bullied, whatever it took to make them send their money to these criminals. The profits from this fraudulent scheme were used to fund lavish lifestyles featuring numerous overseas properties, wine collections, luxury yachts and private jet hire.

“The convictions mark the culmination of seven years hard work by a dedicated team of investigators, lawyers and accountants at the SFO, and close work with other agencies. This case illustrates that key attributes required in an SFO investigation are determination and persistence, qualities necessary to follow the complex money flows and elaborate company structures in

numerous jurisdictions.

“I would like to thank the City of London Police, overseas law enforcement partners and regulators for their assistance with this wide ranging and successful investigation.”

Related convictions

Six individuals were sentenced to between three and seven years in custody in May 2013 as a result of the same SFO boiler room fraud investigation. These sentences followed the defendants being convicted by a jury on an indictment containing a single count of conspiracy to defraud.

Due to reporting restrictions, the outcome of the trial has only been able to be publicised fully today. The six defendants formed the senior management and operations team for three Madrid boiler rooms and conspired with Mr Revell-Reade and Mr May to defraud investors with or through the entities Tresaderns & Partners SL, Price Stone Group SL and Anderson McCormack SL.

The defendants were arrested between 2007 and 2009 and were charged in 2010.

Their details and sentences are listed below:

- Daniel Gooding, aged 39, from Brentwood, Essex- 7 years in custody
- Shaun David Rumsey, aged 33, from Basildon, Essex – 5 years in custody
- Philip Morris, aged 38, from Biddenden, Kent – 5 years in custody
- Jon Steven Frank Emery, aged 36, from Romford, Essex- – 5 years in custody
- Ian Hughes, aged 34, from Hainault, Essex – 4 years in custody
- Emma Farmer, aged 41, from Brentwood, Essex – 3 years in custody

A seventh defendant, Michelle Coleman, aged 62, from Brentwood, Essex pleaded guilty to three counts of money laundering. The total laundered sum was £252,425 of which £158,000 was retained by Ms Coleman personally.

Following her plea, the defendant was sentenced to 21 months imprisonment, to be suspended for two years.

A confiscation hearing concerning Ms Coleman is scheduled to begin this month, while confiscation hearings for Mr Gooding, Mr Rumsey, Mr Morris, Mr Emery, Mr Hughes and Ms Farmer are scheduled to begin in August.

Notes for editors:

1. A boiler room fraud involves a business, often from overseas, persistently pushing the urgent sale of over-valued or even worthless shares in a company.
2. The investigation lasted seven years and was codenamed Operation Steamroller.
3. Notable assistance was provided by New Zealand’s Attorney General Office, the Hong Kong

police, the US Securities and Exchange Commission and FINRA, the US Financial Industry Regulatory Authority.

4. Reporting restrictions were in place due to risk in prejudicing the outcome of this trial which has ended with a verdict today.
5. Mr Revell- Reade was extradited from Australia at the request of the UK on 1st February 2012 and Mr May returned to the UK under European Arrest warrant at the request of the UK on 6th September 2012. In both instances arrest warrants and extradition proceedings were conducted here by SFO, then by overseas authorities on behalf of the UK; both men were escorted back to the UK with assistance from City of London Police officers.
6. The value of the fraud is estimated to be £70.2m or \$119m (\$108m + £6m).

Related Cases

[Tresaderns & Partners SL, Price Stone Group SL and Anderson McCormack SL \(Gooding, Rumsey, Emery, Morris, Hughes, Farmer and Coleman\)](#)
