Securities-Fraud Scheme Lands Ex-COO 30 Months in Prison

Stephen Shea, the former chief operating officer of brokerage firm Sky Capital LLC, has been sentenced to 30 months in federal prison for his part in a $140 million securities-fraud scheme.

Bloomberg News reports that Shea and five others were charged in June 2009, three years after FBI agents raided the brokerage firm. Other former employees convicted in the case included founder Ross Mandell, who's serving an 12-year prison sentence for operating a scheme that started in 1998.

"The defendants misled investors, who put cash in private investments, and then used that money to enrich themselves, pay excessive fees and commissions to brokers and pay off victims of earlier schemes, Manhattan U.S. Attorney Preet Bharara said in 2009, when the case was filed." according to Bloomberg's report.

Read the story.