

Fla. man pleads guilty in \$13M Facebook share case (Update)

June 25 2013

A Florida investment adviser has pleaded guilty in a \$13 million securities fraud scheme that prosecutors say capitalized on enthusiasm for Facebook shares.

Craig L. Berkman entered the plea Tuesday to securities fraud and wire fraud in federal court in Manhattan. The 71-year-old Berkman was a one-time Oregon GOP gubernatorial candidate.

He admits that he falsely claimed to investors in December 2010 that he owned shares of Menlo Park, Calif.-based Facebook Inc.

Prosecutors say he pocketed much of the \$13.2 million he received from more than 120 investors. The government says he transferred the investors' money into his personal account rather than using it to acquire shares of Facebook. Sentencing is scheduled for Oct. 1.

© 2013 The Associated Press. All rights reserved.

Citation: Fla. man pleads guilty in \$13M Facebook share case (Update) (2013, June 25) retrieved 25 April 2024 from <https://phys.org/news/2013-06-fla-guilty-8m-facebook-case.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--