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Southern District of New York

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MANHATTAN U.S. ATTORNEY AND FBI ASSISTANT DIRECTOR-IN-CHARGE ANNOUNCE CHARGES AGAINST FORMER PRESIDENT AND FORMER FINANCE DIRECTOR OF ONE OF THE WORLD'S LARGEST OUTDOOR ADVERTISING COMPANIES FOR \$19.75 MILLION ACCOUNTING FRAUD SCHEME

PREET BHARARA, the United States Attorney for the Southern District of New York, and JANICE K. FEDARCYK, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today the arrests of TODD HANSEN, the former President of the United States division of one of the world's largest outdoor advertising companies (the "Company"), and JAMES BUCKLEY, the former Finance Director of the Company. HANSEN and BUCKLEY are accused of engaging in a five-year, \$19.75 million accounting fraud scheme to make it appear that the Company was meeting certain performance targets when it was not, so that they could receive higher salary increases, bonuses, and stock options. HANSEN will surrender in California tomorrow and appear in Magistrate Court in the Central District of California. BUCKLEY was arrested this morning in New Jersey and will appear in Magistrate Court in the Southern District of New York later today.

Manhattan U.S. Attorney PREET BHARARA said: "As alleged, Todd Hansen and James Buckley engaged in a classic accounting fraud scheme in flagrant violation of their fiduciary duties – thinking they could enrich themselves, their families, and friends, at the expense of their company, its corporate parent, and its shareholders. Their alleged scam has come to an end, and they will now be prosecuted in Manhattan federal court."

FBI Assistant Director-in-Charge JANICE K. FEDARCYK said: "Hansen and Buckley were responsible for significant false entries on their company's books. Their dishonesty resulted not only in unjust enrichment but also in deceiving co-workers, the parent company, and its shareholders about the company's financial health."

According to the Complaint unsealed today in Manhattan federal court:

From 2004 until 2009, HANSEN served as President of the Company, a wholly-owned subsidiary of a United Kingdom corporation with common stock listed on the London Stock Exchange. Beginning in 2005, BUCKLEY assumed the title of the Company's Finance Director.

While serving in these capacities, HANSEN and BUCKLEY directed the Company's controller ("Controller") to make fictitious accounting entries in the Company's books and records in order to give the appearance that the Company was meeting its monthly performance targets. To create these inflated income figures, HANSEN and BUCKLEY allegedly directed the Controller to record higher monthly revenues from either false client billings or from rebates on certain goods and services that the Company was purportedly receiving from some of its vendors.

As alleged in the Complaint, these false accounting entries resulted, in turn, in the preparation of financial statements that reflected artificially inflated monthly income amounts for the Company. HANSEN and BUCKLEY were thereby able to create the misimpression that the Company was meeting its projected financial performance goals. During this five year period, the fraudulent entries HANSEN and BUCKLEY requested resulted in a total overstatement of the Company's net income of approximately \$19.75 million. As a result of meeting these fictitious performance goals, HANSEN and BUCKLEY were paid total salaries and bonuses in the amounts of \$1.1 million and \$650,000, respectively.

In addition to the accounting fraud scheme, during this same time period, HANSEN allegedly misused tens of thousands of dollars of Company funds to pay for expenses and fees that directly benefited him, his family, and friends, and that were unrelated to the Company's legitimate business. Those expenses included apartment rental fees, country club dues, and airplane tickets for HANSEN and certain members of his family.

* * *

HANSEN, 48, resides in Bakersfield, California. BUCKLEY, 48, resides in Westwood, New Jersey.

HANSEN and BUCKLEY are each charged with one count of conspiracy to commit wire fraud and one count of wire fraud. Each count carries a maximum sentence of twenty years in prison. HANSEN is also separately charged with one count of mail fraud, which carries a maximum sentence of 20 years in prison.

Mr. BHARARA praised the investigative work of the FBI.

This case is being handled by the Office's Complex Frauds Unit. Assistant U.S. Attorneys CHRISTOPHER D. FREY and NICOLE FRIEDLANDER are in charge of the prosecution.

The charges contained in the Complaint are merely accusations and the defendants are presumed innocent unless and until proven guilty.

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