



# Department of Justice

**United States Attorney Melinda Haag  
Northern District of California**

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## **FORMER WALNUT CREEK FINANCIAL ADVISOR PLEADS GUILTY TO STEALING FROM CLIENTS**

### **Agrees to pay more than \$5.4 million in restitution**

**OAKLAND, CALIFORNIA** – Steven Kobayashi, age 39, of Livermore, California, a former financial advisor for the United Bank of Switzerland Financial Services, Inc. (UBS), pleaded guilty yesterday to wire fraud and money laundering related to a fraudulent scheme to obtain money from his clients, United States Attorney Melinda Haag announced.

According to the plea agreement, between 2006 and 2009, Kobayashi was employed at UBS' Walnut Creek office. As a financial advisor, he had access to his client's UBS accounts and routinely made financial trades when authorized to do so on behalf of his clients. Beginning in the latter part of 2006, without the knowledge or proper authorization from the affected clients, Kobayashi began to transfer funds from his clients' UBS accounts to his own bank accounts. At times he received authorization to withdraw funds from investors' accounts by falsely representing to the investors that the withdrawals were required to purchase investments. At other times, he forged investors' signatures on the authorization forms, or copied documents bearing investors' signatures and pasted the signatures to documents authorizing withdrawals.

Between 2006 and 2009, Kobayashi transferred \$5,431,600 from his clients' UBS accounts to his own. He has not returned any portion of the funds to the rightful owners.

Kobayashi was charged on March 3, 2011 with one count of wire fraud and one count of money laundering. Under the plea agreement, Kobayashi pleaded guilty to both counts. According to the terms of the plea agreement, Kobayashi has agreed to a prison term of 65 months and to pay restitution in the amount of \$5,431,600.

The maximum statutory penalty for a violation of Title 18, U.S.C § 1343, wire fraud, is 20 years in prison and a fine of \$250,000. The maximum statutory penalty for a violation of 18 U.S.C. § 1957, money laundering, is 10 years in prison and a fine of \$250,000 or twice the value of the property involved. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Stephen Corrigan is the Assistant U.S. Attorney who is prosecuting the case with the assistance of supervisory legal technician Kathleen Turner. The prosecution is the result of an investigation by the Federal Bureau of Investigation and Internal Revenue Service, Criminal Investigation, with the assistance of the Securities and Exchange Commission.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

**Further Information:**

Case #: CR 11-106 CW

A copy of this press release may be found on the U.S. Attorney's Office's website at [www.usdoj.gov/usao/can](http://www.usdoj.gov/usao/can).

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).

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