



THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* MASSACHUSETTS

[U.S. Attorneys](#) » [District of Massachusetts](#) » [News](#)

Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Thursday, August 9, 2018

Former Belmont Resident Sentenced for \$6 Million Investment Fraud Scheme

BOSTON – A former Belmont resident was sentenced today in federal court in Boston in connection with a decade-long Ponzi-style investment scheme in which he defrauded 15 investors of over \$6 million.

John William Cranney, a/k/a Jack Cranney, 77, of El Paso, Texas, was sentenced by U.S. District Court Judge Indira Talwani to five years in prison, three years of supervised release and ordered to pay restitution of \$5,587,432. In May 2018, Cranney was convicted following a two-week trial on three counts of wire fraud, 12 counts of mail fraud and three counts of money laundering. Pending reporting to prison on Sept. 21, 2018, Cranney remains released on conditions including travel restricted to El Paso County, Texas.

From 2001 through 2012, Cranney solicited money from people with whom he had personal and business relationships and represented that he would invest their money in an investment fund or a retirement plan he said he managed. However, instead of investing the money, Cranney spent his victims' savings and retirement on his own bills and debts to fund his declining health and nutrition products distributorship. To carry out his scheme, Cranney created shell companies that he named specifically to sound like investment funds. He also set up a sham Employee Stock Ownership Plan to convince victims to transfer their IRA and 401k retirement funds to him. Cranney's scheme ultimately collapsed in early 2012 when he could not obtain new investment money to pay back earlier investors who were demanding the return of their funds.

United States Attorney Andrew E. Lelling; Harold H. Shaw, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division; Kristina O'Connell, Special Agent in Charge of the Internal Revenue Service's Criminal Investigation in Boston; and Carol S. Hamilton, Acting Regional Director of the U.S. Department of Labor, Employee Benefits Security Administration made the announcement today. The U.S. Attorney's Office also received assistance from the Office of the Secretary of State of the Commonwealth of Massachusetts and

the U.S. Trustee's Office in Boston. Assistant U.S. Attorneys Mark J. Balthazard and Kriss Basil of Lelling's Economic Crimes Unit prosecuted the case.

Topic(s):

Securities, Commodities, & Investment Fraud

Component(s):

USAO - Massachusetts

Updated August 9, 2018