

SARs Lead to Conviction of Former Investment Firm CEO

The former head of an investment firm was sentenced to nearly five years in prison as a result of a guilty plea to one felony count each for mail fraud and filing a false tax return, in a \$146 million dollar scheme that targeted senior citizens. The subject pled guilty for his role in the investment scam that defrauded over 1,800 investors over a four-year period. This individual operated a company that claimed to run a real estate investment program and promised investors a 12% to 15% annual return. In reality, the company operated as a Ponzi-type scheme, paying early investors with funds obtained from later investments. The average age of the investors was 67. The case was initiated from the filing of SARs by a local financial institution detailing the subject's activity. The information was provided by the financial institution to local and federal law enforcement authorities, which successfully investigated the allegations.

Agencies participating in this investigation included the IRS-Criminal Investigation, FBI and local law enforcement authorities.

(Source: IRS-Criminal Investigation)

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