



Department of Justice



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FLORIDA MAN PLEADS GUILTY TO \$30 MILLION INVESTMENT FRAUD SCHEME

WASHINGTON – David R. Lewalski, formerly of Gainesville, Fla., pleaded guilty today to mail fraud in connection with his operation of a \$30 million investment fraud scheme, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division and U.S. Attorney Robert E. O’Neill of the Middle District of Florida.

Lewalski, 47, pleaded guilty before U.S. Magistrate Judge Mark A. Pizzo in the Middle District of Florida and faces a maximum penalty of 20 years in prison.

According to court documents, the defendant, who operated a company called Botfly LLC, willfully engineered and executed a scheme to defraud by promising victim investors that he could generate returns of up to 10% per month, compounded monthly, through his trading in the foreign currency (“forex”) market. In fact, the defendant operated an investment fraud scheme. The defendant and others working at his direction raised approximately \$29,851,598 from victim investors, but the defendant used only a small percentage of those funds for forex trading (approximately \$2.6 million), the vast majority of which he lost.

Lewalski admitted that instead of trading in the foreign currency market as he promised, he used the bulk of victim investor funds to make payments to other investors in order to perpetuate the scheme and make it appear as if he was generating the promised returns. Lewalski paid investors \$14,339,887 in “returns” that he led them to believe were generated by his forex trading when, in reality, he was merely paying them with other victim investors’ funds. Lewalski also spent millions of dollars of victim investor funds on personal expenses, including high end real estate, private jet travel, luxury automobiles, computer equipment and jewelry.

This case is being prosecuted by Assistant U.S. Attorney Mandy Riedel and Trial Attorney Henry Van Dyck of the Criminal Division’s Fraud Section. The case was investigated by the U.S. Postal Inspection Service, the Florida Department of Law Enforcement, and the Florida Office of Financial Regulation, with assistance from the Florida Office of the Attorney General.

Today's guilty plea is part of efforts being undertaken by 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.

For more information on the task force, visit StopFraud.gov.