

NEWS

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FOR IMMEDIATE RELEASE
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Jury Convicts West New York Man in \$2 Million Investment Fraud

(More)

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NEWARK – A federal jury today convicted the former owner of Maximus Financial Group, an investment firm operating out of Bayonne, on all counts for his role in a scheme to defraud over 70 victims of approximately \$2 million, U.S. Attorney Christopher Christie announced.

After deliberating just over an hour after a three-week trial, the jury convicted Raphael Romero, 39, of West New York, on 11 counts of mail and wire fraud. Per the order of U.S. District Judge Joseph Greenaway, the defendant will remain in custody pending sentencing, which is scheduled for Oct. 20.

Special Agents of the FBI and U.S. Postal Inspection Service began investigating the defendant and his investment firm in 2007. He was arrested on a complaint in September 2007. The grand jury returned a Superseding Indictment on March 19, 2008, charging the defendant with mail and wire fraud in connection with his investment scheme. The case, which began with opening arguments on June 25, 2008, was tried by Assistant U.S. Attorneys Stacey A. Levine and Christopher Kelly.

Romero was convicted for his role in the investment fraud scheme in which he defrauded unsuspecting victims out of approximately \$2 million between 1998 and 2006. Trial testimony revealed that Romero convinced the investors to invest money with his company, Maximus Financial, and then used the vast majority of that money for his own personal benefit. At trial, the government demonstrated that Romero had actually invested only approximately 25 percent of the money with which he was entrusted, and that he spent the remainder on personal expenses, such as restaurants, clubs, fancy vacations and cash withdrawals. The 25 percent he did invest he lost, according to evidence produced at trial.

In total, Romero solicited more than \$2 million from his victims. In convicting Romero, the jury found that Romero had lied to the investors by telling them that all of their money would be invested in the stock market, and that their investments, as well as substantial rates of return, were guaranteed. In reality, Romero invested only a small portion of investor money in the stock market and used the rest for his own personal benefit.

According to testimony and evidence, Romero depleted many of his victims' life savings and encouraged them to take out cash advances, home equity loans and to liquidate their IRAs, which many of them did.

In promotional materials to investors, Romero claimed that his year-to-date investment performance for 2003 and 2004 was 101 percent and 75 percent, respectively. An expert from the Securities and Exchange Commission testified that, in reality, the defendant's brokerage records showed that his investments performed at negative 99 percent for both years.

Christie credit Special Agents of the FBI, under the direction of Special Agent in Charge Weyssan Dun, in Newark; and U.S. Postal Inspectors, under the direction of Postal Inspector in Charge David L. Collins, for the successful investigation and prosecution of Romero.

The government is represented by Assistant U.S. Attorneys Levine and Kelly, both of the U.S.

Attorney's Office Securities & Healthcare Fraud Unit in Newark.

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Defense Counsel: James Patton, Esq., of Livingston, New Jersey