



***United States Attorney  
District of New Jersey***

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**PENNSYLVANIA MAN ARRESTED FOR  
MULTIMILLION-DOLLAR INVESTMENT FRAUD**

NEWARK, N.J. – William Graulich IV, purported managing partner of iVest International Holdings, Inc., surrendered today to agents of the FBI after being charged for allegedly conspiring to solicit victims to invest millions based on his false promises, United States Attorney Paul J. Fishman announced.

Graulich, 54, of Henryville, Pa., is charged by criminal Complaint with conspiring to perpetrate a multimillion-dollar investment fraud using interstate wires. He is scheduled to appear this afternoon before United States Magistrate Judge Patty Shwartz in Newark federal court.

According to the criminal Complaint:

Graulich, along with unnamed co-conspirators, represented that they had an “exclusive” investment platform available by invitation only, and that had been previously open only to those able to invest at least \$100 million. Graulich and his co-conspirators pitched the investment platform to a victim identified in the Complaint as “D.G.,” and others, stating that any investment would be held in a “non-depletion attorney account” and “not [be] at risk.” Investors were told that the monies in the non-depletion account would be used as collateral to obtain a line of credit, which would be used to trade financial instruments, including “Medium Term Notes” and “Standby Letters of Credit.” Graulich and his co-conspirators promised weekly returns of 22 percent.

Based on Graulich’s false representations and willingness to waive the purported \$100 million minimum investment requirement, D.G. invested approximately \$4.4 million with Graulich, wiring \$2.8 million in August 2008 and \$1.6 million in November 2008 to a J.P. Morgan Chase Bank account maintained by Graulich in Morristown, N.J. D.G. wired the money pursuant to an executed Joint Venture Agreement he had with Graulich, which contained numerous false representations.

From December 2008 through January 2009, Graulich paid D.G. approximately \$1 million in “returns,” actually money from D.G.’s own investment, before stopping making payments altogether.

A review of the J.P. Morgan “non-depletion account” revealed that Graulich, immediately upon receiving D.G.’s \$2.8 million wire in August 2008, wired that money to a

second, personal Chase Bank account. Graulich used that account to pay his personal living expenses – including payments to Bennett Jaguar, CVS, Bushkill Golf, Stone Bar Inn, Gulf Oil, Verizon, and DIRECTV.

Review of the personal account following D.G.'s \$1.6 million wire in November 2008 revealed that in addition to paying phony "returns" back to D.G., that money was used by Graulich for \$100,000 in tax payments, approximately \$10,000 in mortgage payments, approximately \$25,000 in legal bills, and approximately \$100,000 for New York Yankees tickets.

If convicted, Graulich faces a maximum potential penalty of 30 years in jail and a \$1 million fine.

U.S. Attorney Fishman praised special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and inspectors of the U.S. Postal Inspection service, under the direction of Postal Inspector in Charge David Collins, for their work in the continuing investigation. He also thanked the U.S. Securities and Exchange Commission's Philadelphia Regional Office, under Regional Director Daniel Hawke.

The government is represented by Assistant U.S. Attorney Lee Vartan of the U.S. Attorney's Office Economic Crimes Unit in Newark.

The charge and allegations in the Complaint are merely accusations and the defendant is considered innocent unless and until proven guilty.

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Defense counsel: Jay V. Surgent, Esq., Lyndhurst, N.J.