

approximately \$30,000; personal vacations; and flights on privately chartered airplanes to various locations around the world.

In addition, FOLLIERI stole money from an investor by falsely claiming, among other things, that FOLLIERI needed money for an office in Italy that did not exist, and claimed that he spent over \$800,000 for "engineering reports" relating to real estate that did not reflect engineering work and were almost worthless.

FOLLIERI caused hundreds of thousands of dollars in fraudulently obtained proceeds to be wired to a bank account in Monaco that he controlled in order to hide and conceal the source and control of the funds. From late 2006 through early 2007, FOLLIERI's scheme started to unravel, and FOLLIERI's principal investor cut its ties to FOLLIERI and fired him.

FOLLIERI was arrested this morning and is expected to be presented later today before Chief United States Magistrate Judge HENRY PITMAN in Manhattan federal court.

FOLLIERI is charged with one count of conspiracy to commit wire fraud, six counts of wire fraud, and five counts of money laundering. The conspiracy charge carries a maximum sentence of 5 years in prison and a maximum fine of the greater of \$250,000, or twice the gross gain or gross loss from the offense. Each wire fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$250,000, or twice the gross gain or gross loss from the offense. Each money laundering count carries a maximum sentence of 20 years in prison and a maximum fine of \$500,000, or twice the value of the laundered funds.

Mr. GARCIA praised the work of the FBI in the investigation of this case.

Assistant United States Attorney REED MICHAEL BRODSKY is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

08-156

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