



Department of Justice



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**HOUSTON INVESTMENT MANAGER INDICTED IN UTAH FOR ALLEGED ROLE
IN \$72 MILLION FRAUD SCHEME**

WASHINGTON – An investment manager based in Houston was arrested today on charges filed in federal court in Salt Lake City for his alleged role in a \$72 million investment fraud scheme, announced Assistant Attorney General Lanny A. Breuer of the Justice Department’s Criminal Division, U.S. Attorney David B. Barlow for the District of Utah, Special Agent in Charge David Johnson of the FBI’s Salt Lake City Field Office and Special Agent in Charge Paul A. Camacho of the Internal Revenue Service-Criminal Investigation (IRS-CI) Las Vegas Field Office.

An indictment unsealed today in the District of Utah charges Robert J. Andres, 60, with five counts of wire fraud. He was arrested this morning in Houston and is expected to make his initial appearance tomorrow in the Southern District of Texas.

According to the indictment, Andres operated Winsome Investment Trust, an investment entity, and served as its sole manager, attorney and trustee. The indictment alleges that from October 2005 until at least January 2011, Andres recruited investors for Winsome by misrepresenting Winsome’s assets and asset allocation and the way in which funds were invested.

Between October 2005 and April 2007, Andres allegedly raised more than \$39 million from Winsome investors by disseminating false and misleading Winsome balance sheets and by representing to investors that Andres would invest all of their funds in a trading program or a mostly automated trading business.

The indictment alleges that between April 2007 and January 2011, Andres used false and misleading information to raise an additional \$32 million from new investors. Furthermore, Andres allegedly failed to disclose that new investors’ funds would be used to pay earlier investors. The indictment also alleges that Andres used new investor funds to make purported “profit” payments to earlier investors to create the false impression that Winsome was profitable. During this period, Andres allegedly misappropriated approximately \$2.2 million in investor proceeds for personal use, including hotel bills and living expenses.

The maximum penalty for each count of wire fraud is 20 years in prison and a fine of \$250,000 for each count.

An indictment is merely an accusation, and a defendant is presumed innocent unless proven guilty in a court of law.

This case is being prosecuted by Trial Attorney Thomas B.W. Hall and Deputy Chief Charles La Bella of the Fraud Section in the Justice Department's Criminal Division and Assistant U.S. Attorney Mark Y. Hirata for the District of Utah. The case was investigated by the FBI's Salt Lake City Field Office and the IRS-CI Las Vegas Field Office. The department thanks the Commodity Futures Trading Commission and the Securities and Exchange Commission for their assistance in the investigation.

This prosecution is part of efforts underway 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 about the task force visit: www.stopfraud.gov.

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