



Department of Justice



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**SAN DIEGO INVESTMENT MANAGER INDICTED IN UTAH FOR ALLEGED ROLE  
IN \$25 MILLION FRAUD SCHEME**

WASHINGTON – A San Diego, Calif., investment manager was arrested today on charges filed in district court in Salt Lake City for his alleged role in a \$25 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 L. Holloway, 54, with four counts of wire fraud and one count of making and subscribing a false income tax return. He was arrested this morning in San Diego, Calif., and made his initial appearance in the Southern District of California.

According to the indictment, Holloway operated an investment entity named US Ventures LC, which was founded in 1999. Holloway served as the chief executive officer and managing partner of US Ventures. The indictment alleges that from October 2005 until at least April 2007, Holloway recruited investors for US Ventures by making false representations about the investment entity. According to the indictment, Holloway falsely claimed that US Ventures used proprietary trading software that was consistently profitable; that US Ventures had more than \$32 million under management and generated returns of 0.8 percent per trading day; and that US Ventures would retain a 30 percent share of investors’ profits as a management fee. The indictment alleges that US Ventures raised more than \$25 million from investors for its trading activities.

During the course of US Ventures’ existence, Holloway allegedly generated and distributed reports to investors containing false daily returns on their investments, which did not disclose that US Ventures was in fact steadily losing money. According to the indictment, between October 2005 and April 2007, US Ventures lost more than \$10 million in trading. The indictment alleges that the “profit” figures on the investor reports were entirely fabricated.

Holloway and US Ventures also made “profit distributions” to investors that consisted of funds solicited from new investors, not actual profits.

The indictment also alleges that Holloway misappropriated investors’ funds for a variety of personal expenses, including supporting his then-wife’s eBay business and Holloway’s lifestyle. During 2006 alone, Holloway diverted more than \$1.2 million in investor funds to a business account used for his personal use despite the fact that, as alleged in the indictment, he falsely filed a false personal tax return for 2006 in which he claimed a gross income of only \$27,500.

The maximum penalty for wire fraud is 20 years in prison and a fine of \$250,000 for each count. The maximum penalty for the tax evasion charge is three years in prison and a fine of \$100,000.

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’s 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](http://www.stopfraud.gov).

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