



U.S. Department of Justice

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Sep 18, 2007

EVENT: Guilty Plea

Defendant: Samuel J. Abraham

**BLOOMFIELD HILLS MAN PLEADS GUILTY TO CHARGES OF
TAX EVASION AND ADVANCE FEE SCHEMES ON NON-EXISTENT
HIGH DOLLAR LOANS**

On September 18, 2007, Samuel J. Abraham, a 51-year-old Bloomfield Hills man pled guilty to three counts of tax evasion, two counts of wire fraud, and two counts of engaging in monetary transactions in criminally derived property, before U.S. District Court Judge Denise Page Hood announced United States Attorney Stephen J. Murphy. The plea agreement also provided for defendant's forfeiture of at least \$3,150,000 and other assets, including a 1996 Mercedes Benz and a 2005 Cadillac Escalade.

Information presented to the court at the time of the guilty plea showed that during 2003 & 2004, Sam Abraham, doing business as the Walton Trust Ltd., was introduced to representatives of European Sea's Ltd., an Irish company, and Hallonlodge Proprietary Ltd., an Australian company, who were seeking a large credit facility for their business projects. Abraham falsely represented to them that he could secure \$10 million and \$100 million for their

respective projects, in exchange for fees of \$150,000 from European Sea's Ltd. and \$3 million from Hallonlodge. Abraham executed agreements indicating that Walton Trust would arrange for the loans from a major bank. European Sea's and Hallonlodge wired their funding fees to "escrow" accounts located at Comerica and JP Morgan Chase Bank in Michigan. These "escrow" accounts were set up to provide the investors with comfort. The representatives of both European Sea's and Hallonlodge understood that their funding fees would not be touched until the investment contract and original "funding bank letter" indicated that the pool of bank funds were available.

Abraham then provided the European Sea's and Hallonlodge representatives with counterfeit letters from officials in the Private Banking Division and Global Banking Department of Citibank, New York, confirming the availability of the \$10 million and \$100 million lines of credit. However, Abraham, without the knowledge or permission of European Sea's or Hallonlodge's representatives, instructed his attorney to commence disbursing the \$150,000 and \$3 million fees to himself and others for his own personal use, knowing that there were no monies available at Citibank for either European Sea's or Hallonlodge. Abraham attempted to lull the investors into believing that the monies would eventually come but the bank loan, line of credit, or investment returns never materialized.

The joint federal agencies' investigation also disclosed that since 1998 Abraham has obtained several million more dollars through his advance fee and investment schemes. For the 2000 through 2002 tax years, Abraham failed to file tax returns in spite of his substantial income from his investment fees. Abraham also acknowledged making false statements to the Internal Revenue Service in evading payment of his income tax liabilities.

United States Attorney Stephen J. Murphy stated, "Advance fee loan schemes such as this are all too common because persuasive con artists can deceive even sophisticated business people. Although federal law enforcement is well equipped to pursue such cases, investors need to be on their guard against these schemes as the first line of defense."

"Today's swindlers still target the unsuspecting with offers that are too good to be true, but, in today's competitive business world, these scam artists are using sophisticated marketing methods and false documentation to seal the deal," said Aouate. "IRS Criminal

Investigation will continue to diligently follow the money in order to bring these greedy people to justice.”

A sentencing date of March 5, 2008 has been set by Judge Hood. A \$50,000 unsecured bond was continued for Abraham, who has also been ordered not to solicit funds from any investors.

The investigation leading up to the indictment was conducted by the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigations Division and the United States Postal Inspection Service. The case has been prosecuted by Assistant U.S. Attorneys Ross I. MacKenzie and Julie Beck.