



U.S. Department of Justice

*United States Attorney  
Northern District of Illinois*

---

*Patrick J. Fitzgerald  
United States Attorney*

*Federal Building  
219 South Dearborn Street, 5th Floor  
Chicago, Illinois 60604  
(312) 353-5300*

FOR IMMEDIATE RELEASE  
FRIDAY MARCH 14, 2008  
[www.usdoj.gov/usao/iln](http://www.usdoj.gov/usao/iln)

PRESS CONTACTS:  
AUSA Brian Hayes (312) 353-4307  
Randall Samborn (312) 353-5318

**SUBURBAN CHICAGO MAN AND FORMER GENERAL MOTORS EXECUTIVE  
INDICTED IN ALLEGED \$80 MILLION FRAUD AND KICKBACK SCHEME**

CHICAGO – A north suburban businessman and a former General Motors Corp. executive were indicted for allegedly engaging in a kickback and fraud scheme that diverted approximately \$80 million from GM from the sale of bulk aluminum to third parties, federal law enforcement officials announced today. The former GM executive was also charged with federal income tax evasion for allegedly concealing from the IRS approximately \$5.4 million in kickbacks he received from the Chicago area businessman. The businessman, who was engaged in metal brokerage and commodity trading businesses, allegedly diverted huge profits from the bulk aluminum sales to sports and entertainment-related businesses he operated in Las Vegas.

The defendants, **Daniel J. Bealko**, GM's former Global Commodity Manager for Lightweight Metals, and **Anthony Demetrius Brown**, who owned businesses in Illinois and Nevada related to metal sales, sports and entertainment, were charged in a six-count indictment returned yesterday by a federal grand jury in Chicago. The charges were announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago; and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

An arrest warrant was issued for Bealko, 61, formerly of Clarkston, Mich., who is believed to be living in the Carribean islands of St. Kitts and Nevis. Brown, 46, also known as “Tony Brown,” of Highland Park, will be arraigned at a later date in U.S. District Court in Chicago.

Both defendants were charged with two counts of wire fraud and two counts of interstate transportation of fraudulently obtained funds, and Bealko alone was charged with two counts of income tax evasion. The indictment also seeks forfeiture of \$83 million.

According to the indictment, Bealko was GM’s Global Commodity manager between 1996 and December 2003. He was entrusted with the discretionary authority to devise and implement a plan for GM to divest its extensive bulk aluminum holdings between late 1998 and December 2003. During the 1990s, GM acquired several hundred millions pounds of bulk aluminum, a large portion of which it decided to sell by the late 1990s. To protect itself from price fluctuations, GM engaged in hedging strategies, such as commodities futures trading, typically through the New York Mercantile Exchange and the London Metals Exchange.

Brown was the owner of the former Fuci Metals USA, a bulk metal sales broker, and the former Commodities Management Exchange, which auctioned bulk metal through an internet -based exchange, CMXchange.com, both of which had offices in north suburban Northfield. Brown also had an interest in sports and entertainment-related businesses, principally based in Las Vegas, including CMX Sports & Entertainment and CMX Productions.

Between January 2002 and December 2003, Brown allegedly paid Bealko approximately \$5.4 million in bribes to steer GM bulk aluminum sales on favorable credit terms to Fuci Metals, which would re-sell the aluminum for a profit to third parties that Bealko would locate and then negotiate sales terms.

The indictment alleges that as part of the fraud scheme, Brown and Bealko established a brokerage account in Fuci’s name, which Bealko used to trade aluminum futures and options

contracts. Without GM's permission, Bealko pledged GM assets as security against any trading losses, and the defendants caused trading profits to be deposited into a Fuci bank account. While causing GM to sell hundreds of millions of dollars of bulk aluminum to Fuci on credit, the charges allege that Bealko, in exchange for the kickbacks from Brown, purposely failed to disclose to GM that Fuci and Brown presented a serious risk of default to GM.

Rather than repay GM, the indictment charges that Brown diverted approximately \$80 million that Fuci obtained through the sale of GM's aluminum to goods and services for his own personal benefit and on his sports and entertainment business interests.

The tax evasion counts against Bealko together allege that he failed to pay more than \$2 million in federal income taxes for calendar years 2002-03 by concealing approximately \$5.4 million in taxable income from the kickbacks.

The Government is being represented in Court by Assistant U.S. Attorney Brian Hayes.

If convicted, each count in the indictment carries the following maximum penalties: wire fraud – 20 years in prison and a \$250,000 fine; interstate transportation of fraudulently-obtained funds – 10 years in prison and a \$250,000 fine; and income tax evasion (against Bealko alone) – 5 years in prison and a \$250,000 fine. In addition, defendants convicted of tax offenses remain liable for any taxes owed, penalties and interest, and they must pay the costs of prosecution. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

###