



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

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CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

INVESTMENT MANAGER CHARGED IN COLLAPSE OF \$180 MILLION HEDGE FUNDS

Defendant Kirk Sean Wright – A Fugitive Wanted By The FBI

Atlanta, GA - KIRK SEAN WRIGHT, 35, of Marietta, Georgia has been charged in a federal criminal complaint with mail fraud, relating to the collapse of investment funds operated by WRIGHT's companies, International Management Associates ("IMA") and International Management Associates Advisory Group ("IMAAG"). The complaint was filed on March 10, 2006 in federal court in Atlanta, Georgia, and was unsealed today. An arrest warrant has been issued, and WRIGHT, who was advised of the warrant through his lawyer, is currently a fugitive wanted by the Federal Bureau of Investigation.

United States Attorney David E. Nahmias said, "The complaint alleges a serious investment fraud impacting numerous investors and involving as much as \$150 million to \$180 million in missing investor assets. Mr. Wright is aware that he is a fugitive and he is going to be arrested. The best and safest course for all parties at this point would be for Mr. Wright to turn himself in to the FBI immediately."

Mr. Nahmias along with Gregory Jones, Special Agent in Charge of the FBI's Atlanta Field Division, request that anyone with knowledge of WRIGHT's whereabouts contact their local FBI office, or the Atlanta Field Division at (404) 679-9000. They also advise that any person knowingly assisting WRIGHT's evasion of arrest on these charges would be committing the separate crime of harboring a fugitive. The FBI advises that WRIGHT, whose photograph is attached, is an African-American male, approximately 5'10" and 175 lbs. He has a large scar on the back and top of this head, and he had a goatee when last seen.

According to the charges, WRIGHT was a principal owner of IMA and IMAAG, in Atlanta, Georgia. IMA and IMAAG operated a series of pooled investment funds, or "hedge funds," for various investors. The complaint alleges that WRIGHT retained principal if not sole authority for trading and investing at IMA/IMAAG.

In late 2005, WRIGHT allegedly represented to several clients that IMA/IMAAG had over \$150 million under management, in the custody of the brokerage firm Ameritrade, Inc. WRIGHT repeated these representations to staff of the United States Securities and Exchange Commission (“SEC”) in 2006. In its most recent filings with the SEC, in 2006, IMA/IMAAG also purported to have over \$180 million in client funds under management. Throughout 2005, IMA/IMAAG sent quarterly statements to its investors purporting to show they were receiving positive investment returns, and in some cases had millions of dollars in their accounts.

When in September 2005, some investors expressed concerns about the integrity of their funds, WRIGHT allegedly displayed copies of what appeared to be Ameritrade statements, dated in or about August 2005. These documents purported to show that IMA/IMAAG had over \$150 million invested.

The complaint alleges that WRIGHT’s claims to his investors and the SEC were lies. The supposed Ameritrade statements were fabricated, reflecting accounts that did not exist, and balances more than 1,000 times the actual value of IMA/IMAAG’s accounts.

Specifically, according to the charges, Ameritrade had only two accounts associated with IMA/IMAAG from at least August 2005 through March 2006, which, in total, contained less than \$150,000. As for the statements displayed by WRIGHT, three of the four accounts did not exist, and the fourth pertained to an account unaffiliated with WRIGHT, IMA or IMAAG. The statements also contained a false address and telephone number for Ameritrade. Searches conducted by Ameritrade revealed no other active accounts for IMA/IMAAG.

The criminal complaint charges mail fraud, executed via the mailing of a set of false asset statements to IMA investor Stephen Atwater. The charge carries a maximum sentence of 20 years in prison and a fine of up to \$250,000. The investigation is continuing.

The case is being investigated by special agents of the FBI as well as the Internal Revenue Service.

Assistant United States Attorneys Justin S. Anand and Paul N. Monnin are prosecuting the case.

Members of the public are reminded that the complaint contains only allegations. A defendant is presumed innocent of the charges. It will be the government's burden to establish to a federal grand jury that there is probable cause to believe WRIGHT committed this crime, and ultimately to prove his guilt beyond a reasonable doubt at trial.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or F. Gentry Shelnett, Chief, Criminal Division, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.