



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

**JACKSONVILLE MAN SENTENCED TO 10 YEARS IN PRISON
FOR OPERATING PONZI SCHEME UNDER THE GUISE OF A
FOREIGN CURRENCY "HEDGE FUND"**

Defendant Defrauded Investors of More Than \$23 Million in Less Than 5 Years

ATLANTA, GA - MANYU OGALE, 44, of Jacksonville, Florida, was sentenced today by United States District Judge Richard W. Story to serve 10 years in prison on a federal charge of mail fraud arising out of a so-called "Ponzi" scheme, which defrauded investors out of more than \$23 million.

United States Attorney David E. Nahmias said of the case, "We continue to uncover a distressing number of multi-million dollar Ponzi schemes. In this case, the con-man raised more than \$23 million from his victims in less than five years by posing as a legitimate investment advisor who guaranteed 50% annual returns through a complex foreign-currency hedge fund. These fraudulent investment schemes come in many guises but seem to have one thing in common - the 'guaranteed' returns sound too good to be true. Anyone offered such returns should invest their hard-earned money with great caution."

FBI Atlanta Special Agent in Charge Greg Jones said, "This investigation serves as a warning to those who devise schemes to defraud and steal money from hard-working citizens under the false pretense of legitimate investments. It should also serve to warn the American public to be vigilant and to do their homework before investing money with anyone. Investment fraud is a high priority for the FBI, but many of these cases can be prevented if people would simply ask some hard questions before handing their money over to these thieves."

OGALE was sentenced to serve 10 years in prison followed by three years of supervised release, and ordered to pay \$12,744,349.50 in restitution. OGALE pleaded guilty to the charge on December 18, 2008.

According to Nahmias and information presented in court: From January 2003 through May 2007, OGALE owned and operated "Den Haag Capital, LLC," which he

represented to be “a private hedge fund” for “sophisticated investors.” OGALE falsely represented to investors that he had created an algorithm that allowed him to determine whether various foreign currencies were undervalued or overvalued, and he promised to invest his clients’ money in the foreign currency markets using the algorithm that he had created. OGALE guaranteed investors an annual rate of return of 50%. In less than 5 years, OGALE took in over \$23 million from investors. OGALE sent monthly statements to investors, falsely claiming that their investments had substantially increased in value, and OGALE used some of the money that he received from later investors to pay substantial returns to some of the early investors. OGALE never invested any of the money, however, and instead used much of it to pay his own personal expenses in an effort to create an aura of legitimacy for himself. As part of those expenses, he leased and traveled by private jets and leased a luxury Mercedes automobile, as well as paid American Express bills totaling over \$1 million.

This case was investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorney Russell Phillips prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, 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.