



Department of Justice

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CURRENCY FUND MANAGER PLEADS GUILTY TO PERPETRATING PONZI SCHEME

James Ossie Took in More Than \$25 Million from Over 100 Victims in Just 9 Months

Atlanta, GA - JAMES G. OSSIE, 48, of Atlanta, pleaded guilty today in federal district court to a wire fraud scheme involving the operations of his foreign exchange trading firm, CRE Capital.

United States Attorney David E. Nahmias said, "This defendant operated a major investment fraud scheme that defrauded more than 100 victims out of more than \$25 million dollars in only nine months. Those caught preying on the investing public in this way will find themselves facing long terms in federal prison."

FBI Special Agent in Charge Gregory Jones stated: "The damage done by this fraudulent investment scheme is extensive, leaving a trail of victims in its wake. These victim investors placed their trust in Mr. Ossie and now are literally paying for this misplaced trust. Today's guilty plea serves once again as an example of how these ponzi schemes are not sustainable and that those that engage in these types of fraudulent schemes will ultimately be held accountable."

According to United States Attorney Nahmias and other information presented in court: OSSIE and CRE Capital operated an investment fund for private clients focused on options contracts in foreign currencies. The fund operated from approximately April 2008 into January 2009, when it was shut down by the United States Securities and Exchange Commission ("SEC").

OSSIE and CRE offered investment contracts, in amounts of at least \$100,000, that guaranteed the return of an investor's deposit plus 10% interest within just 30 days. OSSIE claimed to be able to pay such substantial monthly returns because he typically made even more than that through his trading activity. He also claimed that his trading profits allowed him to fund a substantial cash "reserve fund" sufficient to re-pay all investors their deposit plus 10% monthly profit, in case the market deteriorated. OSSIE told investors that CRE Capital even hired outside accountants, or auditors, who reviewed and confirmed the accuracy of the numbers. OSSIE made these representations directly to individual investors, through salespersons known as "correspondents," through the CRE Capital website, and in numerous mass conference calls involving groups of investors and prospective investors.

However, these were all lies. Instead of making profits sufficient to pay 10% monthly returns and fund a "reserve" account, OSSIE lost millions of dollars. Indeed, during CRE's 9-month lifespan, the firm lost over \$12 million in its foreign currency trading accounts. Moreover, there was no "reserve" account sufficient to repay investors. For example, by the end of 2008, CRE owed over \$23 million in pending investment contracts but only had just over \$2 million deposited in all of its bank and trading accounts combined. Although CRE hired outside accountants for limited projects, OSSIE did not allow any access to the records of the trading accounts that would have revealed his substantial losses.

Thus, because he was making no profits, OSSIE was only able to re-pay investors their deposits and guaranteed 10% returns through what is referred to as a "Ponzi" scheme. Specifically, OSSIE paid his debts to existing investors with money recently invested by new investors. When the time came to pay the returns promised to the new investors, OSSIE would recruit more investments from still newer investors. This unsustainable scheme was identified and shut down by the SEC in January 2009. In the meantime, OSSIE had raised over \$25 million from over 120 investors, approximately half of which was lost in unsuccessful currency trading. The investors were from all over the United States, including many from Georgia, California, South Carolina and Texas.

OSSIE was indicted in March 2009 on 15 counts of wire fraud. He pleaded guilty to one count today, although he agreed that the facts underlying his entire scheme will be relevant for sentencing purposes. He could receive a maximum sentence of 20 years in prison and a fine of up to \$250,000. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders.

Sentencing is scheduled for July 30, 2009, at 9:30 a.m., before United States District Judge William S. Duffey, Jr.

This case is being investigated by Special Agents of the Federal Bureau of Investigation. The SEC and Commodities Futures Trade Commission (CFTC) have also both brought civil enforcement actions against the Defendant based on violations of federal anti-fraud securities and commodities laws.

Assistant United States Attorneys Justin S. Anand and Douglas W. Gilfillan are prosecuting 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.