



Department of Justice

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CURRENCY FUND MANAGER SENTENCED TO NEARLY 7 YEARS IN FEDERAL PRISON FOR PERPETRATING PONZI SCHEME

James G. Ossie Took In Millions From Over 100 Victims

Atlanta, GA - JAMES G. OSSIE, 48, of Atlanta, Georgia, was sentenced today by United States District Judge William Duffey, Jr., to nearly seven years in federal prison for 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 dozens of victims out of millions of dollars. Those who prey on the investing public in this way will continue to find themselves facing substantial federal prison terms, as this defendant received today."

OSSIE was sentenced to 6 years, 10 months in federal prison, to be followed by 3 years of supervised release, ordered to pay restitution in the amount of \$18 million, and ordered to serve 250 hours of community service. OSSIE pleaded guilty to the charge on May 21, 2009.

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 claimed that CRE 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. OSSIE admitted today that these claims were lies. Instead of making profits sufficient to pay 10% monthly returns and fund a “reserve” account, the Defendant lost millions of dollars. Indeed, during CRE’s 9-month lifespan, the firm lost over \$12 million in its foreign currency trading accounts. 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, he 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. In the meantime, OSSIE had raised over \$25 million from over 120 investors, approximately half of which was lost in unsuccessful currency trading.

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

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