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**THREE DEFENDANTS INDICTED FOR ALLEGEDLY DEFRAUDING
MORE THAN 50 VICTIMS IN \$4 MILLION FRAUD SCHEME**

CHICAGO — Three defendants who purported to be successful business entrepreneurs allegedly defrauded more than 50 victims of approximately \$4 million in a fraud scheme that spanned nearly a decade, according to a federal indictment made public today. The defendants allegedly defrauded the victims into providing them with money as investments and as loans for several businesses they operated, known collectively as the Gnxpert Companies. The defendants allegedly made false statements and promises about the way the money would be used, the profitability of the businesses, the risks of and expected return on the investments and loans, the companies' financial condition and the security of the victims' money. The defendants then allegedly commingled the fraudulently obtained funds and misused the money for their own benefit.

One defendant, **Maria Chychula**, 62, was arrested this morning, while agents were searching for another defendant, **Vitaliy Baka**, 38. The third defendant, **Igor Anatsko**, 41, also known as "Ihor Anatsko," is believed to have left the country and is a fugitive. All three Chicago residents were charged with nine counts of wire fraud in an indictment that was returned by a federal grand jury last month and unsealed today following the arrest. Chychula was arraigned before U.S.

District Judge Sharon Johnson Coleman in U.S. District Court in Chicago, and was ordered to remain in custody pending a detention hearing at 10:45 a.m. next Monday.

The charges were announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Thomas P. Brady, Inspector-in-Charge of the U.S. Postal Inspection Service; and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division, both in Chicago.

According to the indictment, between May 2001 and October 2010, the defendants allegedly engaged in a variety of fraudulent activities that involved holding themselves out as financiers, investment advisors and brokers who bought and sold U.S. and foreign currency and engaged in foreign transactions of financial instruments, such as bank notes and letters of credit, as well as entrepreneurs who ran businesses that invented or developed glow-in-the dark products; three-dimensional computer monitors; laparoscopic medical devices; anti-piracy devices for movies; self-cleaning, self-sanitizing, and self-disinfecting coatings; and voice-over internet communications.

As an example, the defendants fraudulently obtained money purportedly for foreign currency trades, and Chychula misrepresented to investors that the trades would result in a minimum yield of 10 to 14 percent in three days, the indictment alleges. Baka provided at least one investor with \$26,000 in a Ponzi-type payment, and convinced other investors to use their principal investments and purported profits to purchase shares of the Gnexpert Companies, when the defendants knew that the principal investments had been lost and had made no profit, it adds.

As part of the scheme, the defendants allegedly told victims that they were negotiating multi-million dollar sales contracts with numerous companies and government agencies to purchase or license the Gnexpert Companies products, when they knew that no such deals existed. On Jan. 31,

2008, Chychula, Baka and another individual allegedly falsely told an investor that they were “up to our ears with deals” and that they were “closing one after another.” In 2006, Baka and Chychula falsely told investors they were negotiating with the U.S. Secret Service to use Gnxpert Color, Inc., technology to “tag” immigrants, spies, terrorists, and militia illegally crossing U.S. borders with glow-in-the-dark particles so that agents could “trace” the movements of these individuals throughout the country, according to the indictment.

The government is being represented by Assistant U.S. Attorney Brandon Fox.

Each count of wire fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, and restitution is mandatory. The Court may also impose a fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. If convicted, however, the Court must determine a reasonable sentence to impose under the advisory United States Sentencing Guidelines.

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.

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