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**FORMER FOREX TRADER EXTRADITED FROM PERU TO FACE CHARGES OF
SWINDLING \$5 MILLION FROM 400 VICTIMS IN TRADING FRAUD SCHEME**

CHICAGO — A U.S. citizen who allegedly operated a foreign currency trading fraud scheme while living in Panama — obtaining more than \$25 million, with losses totaling at least \$5 million, from some 400 investors nationwide, including Chicago, when the scheme collapsed in 2009 — was extradited from Peru to face federal fraud charges in Chicago. The defendant, **Jeffery Lowrance**, pleaded not guilty today at his arraignment, following his arrival yesterday from Peru, where he was arrested earlier this year and had lived intermittently since 2004 and continuously since 2009. He was ordered to remain in federal custody pending a detention hearing on July 25 in U.S. District Court.

Lowrance, 50, was initially charged in a criminal complaint filed in 2009, and he was indicted in August 2010 on five counts of mail fraud, one count of wire fraud, and four counts of money laundering. The indictment, which also seeks forfeiture of at least \$5 million, was unsealed earlier this year when Lowrance was arrested in Lima, Peru. The charges were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Alvin

Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago.

Also today, the Securities and Exchange Commission and the Commodity Futures Trading Commission announced the filing of separate civil enforcement actions against Lowrance and his businesses. Lowrance owned Mentor Investing Group, Inc., initially located in San Diego and later Panama City, Panama. He later owned and was chairman and chief executive officer of First Capital Savings & Loan, Ltd., which he incorporated in 2007 in New Zealand and which took over Mentor's purported business and investor accounts. Both businesses claimed to buy and sell foreign currencies (Forex trading) and offered and sold investments through a network of salesmen and investor referrals.

According to the indictment, between August 2004 and June 2009, Lowrance and others at his direction fraudulently solicited investments by making material misrepresentations, including the profitability of First Capital's Forex trading, the expected return on and risk involved with the investments, and the use of funds raised from investors. To conceal the fraud, he allegedly made Ponzi-type payments to investors and provided investors with fraudulent account statements. Among the specific alleged misrepresentations was that investors would be paid as much as four to seven percent interest per month on their investments.

Lowrance allegedly used only a small portion of investors' funds to do Forex trading. In addition to making Ponzi-type payments to investors, he allegedly misused investors' funds to pay First Capital's expenses, expenses of unrelated business ventures including a newspaper, and to make payments for his own benefit as the benefit of his family and associates.

The government is being represented by Assistant U.S. Attorney Jacqueline Stern.

Each count of wire and mail fraud and money laundering 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 impose a reasonable sentence under the advisory United States Sentencing Guidelines.

The investigation falls under the umbrella of the Financial Fraud Enforcement Task Force, which includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit: www.StopFraud.gov.

An indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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