U. S. Department of Justice

United States Attorney
Northern District of Illinois

Patrick J. Fitzgerald
United States Attorney

Federal Building
219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300

FOR IMMEDIATE RELEASE
WEDNESDAY MAY 2, 2012
www.justice.gov/usao/iln

PRESS CONTACTS:
AUSA Jacqueline Stern 312-353-5329
Randall Samborn 312-353-5318

CHICAGO INVESTMENT ADVISOR INDICTED FOR ALLEGEDLY CAUSING CLIENTS TO LOSE $1.5 MILLION IN FRAUD SCHEME

CHICAGO — A Chicago investment advisor allegedly engaged in an investment fraud scheme that swindled clients, causing them to lose approximately $1.5 million, federal law enforcement officials announced today. The defendant, **Dimitry Vishnevetsky**, was charged with eight counts of mail or wire fraud and one count of bank fraud in a nine-count indictment returned yesterday by a federal grand jury. Vishnevetsky allegedly raised approximately $1.7 million from investors and misappropriated at least $1.5 million for his own purposes, including to pay for such business and personal expenses as mortgage and car payments, travel and vacations, restaurant bills, athletic club dues, and to make trades for his own benefit, while using additional investor funds to make Ponzi-type payments to clients.

Vishnevetsky, 33, of Chicago, will be arraigned at a later date in U.S. District Court. The charges were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation. Also yesterday, the Commodity Futures Trading Commission filed a civil enforcement lawsuit against Vishnevetsky and his companies in Federal Court in Chicago.

According to the indictment, Vishnevetsky offered and sold investments, including commodities and promissory notes, primarily through Hodges Trading, LLC, and Oxford Capital, LLC, which purported to be in the business of providing brokerage/management services to investors and of managing commodities funds, including the Oxford Global Macro Fund, the Oxford Global Arbitrage Fund, and the Quantum Global Fund, which existed in name only. He also offered and sold promissory notes, described as London Interbank Offered Rate (LIBOR) adjusted notes, through Hodges Trading, which also existed in name only.

The indictment alleges that between September 2006 and March 2012, Vishnevetsky schemed to defraud investors and potential investors by making false representations about the profitability of his prior and current trading, the use of the invested funds, the risks involved, the expected and actual returns on investments and trading, and false representations about Hodges Trading, Oxford Capital and the commodities funds. For example, Vishnevetsky created and provided some investors fraudulent trading results showing profits as high as 36 percent per year, the indictment alleges. "In fact, to the extent that Vishnevetsky engaged in trading, the trading consistently resulted in net losses, not profits," the indictment states.

The bank fraud count alleges that between 2007 and 2010, Vishnevetsky made false statements to Merrill Lynch Bank & Trust concerning his income and assets to cause the bank to issue, and later modify, two loans totaling approximately $519,500 to purchase a condominium in Chicago. Vishnevetsky subsequently stopped making payments on the loans, the charges allege.

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

Each count of mail or wire fraud carries a maximum penalty of 20 years in prison and a $250,000 fine, while bank fraud carries a maximum penalty of 30 years in prison and a $1 million 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, the Court must impose a reasonable sentence under federal sentencing statutes and 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.

# # # #