



U. S. Department of Justice



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Northern District of Illinois

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United States Attorney

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FOR IMMEDIATE RELEASE  
WEDNESDAY JUNE 6, 2012  
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**CHICAGO MAN INDICTED FOR ALLEGEDLY CAUSING 15 INVESTORS  
TO LOSE APPROXIMATELY \$600,000 IN PONZI-TYPE FRAUD SCHEME**

CHICAGO — A Chicago man who operated an investment trading pool allegedly fraudulently obtained approximately \$1.4 million and caused some 15 individual investors to lose about \$600,000, federal law enforcement officials announced today. The defendant, **Christopher Varlesi**, was charged with six counts of mail and wire fraud in an indictment returned yesterday by a federal grand jury. Varlesi allegedly misappropriated a substantial portion of investor funds for his own benefit, including misusing \$99,750 in May 2010 to pay for a year's rent for an apartment in the Trump International Hotel & Tower in Chicago, and to make Ponzi-type payments to other investors.

Varlesi, 53, of Chicago, will be arraigned at a later date in U.S. District Court. He was the sole proprietor of Gold Coast Futures & Forex, which purported to buy and sell securities and commodities and operate a pool of investor money for trading purposes, but was not actually registered or licensed to do so. The indictment seeks forfeiture of approximately \$600,000.

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. The Illinois Securities Department assisted in the investigation, as did the Commodity Futures Trading Commission, which filed a civil enforcement lawsuit against Varlesi in March of this year.

According to the indictment, between July 2008 and January 2012, Varlesi made false representations to clients about using their money to trade gold, commodity futures, and foreign currency, the expected return on their investments, and the security of their money. He fraudulently retained investors' funds and concealed the scheme by creating and distributing false account statements and making Ponzi-type payments to investors, the charges allege. Varlesi also allegedly told clients that their investments were guaranteed to be profitable, with no risk of losing principal. As part of the scheme, the charges allege that he provided promissory notes to certain investors, falsely promising to return the entire principal amount of their investment, as well as guaranteed interest ranging between 5 to 7.5 percent per month.

The government is being represented by Assistant U.S. Attorney Sarah E. Streicker.

Each count of wire and mail 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, 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](http://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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