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**WILL COUNTY COUPLE SENTENCED TO FEDERAL PRISON TERMS FOR
INVESTMENT FRAUD SCHEME THAT SWINDLED 40 VICTIMS OF \$1 MILLION**

CHICAGO — A Will County couple has been sentenced to federal prison terms for engaging in a brazen investment fraud scheme that swindled more than \$1 million from approximately 40 victims, causing some of them to lose their homes and financial security while the couple spent the money primarily on themselves. JAMES PILON was sentenced today to 53 months in prison, while his wife, VERNA PILON, was sentenced last week to 78 months in prison, and they were ordered to pay \$967,702 in restitution.

The couple “lived a life of ease while others were being pushed out onto the streets,” U.S. District Judge Virginia Kendall said today in imposing sentence for James Pilon, 68, of Joliet. His lower sentence resulted primarily from an early guilty plea to the fraud scheme, and he was ordered to begin serving his sentence on Nov. 7, 2012. Verna Pilon, 59, who has been in federal custody since 2010, pleaded guilty to the fraud scheme on the second day of trial in May of this year after eight victims testified against her.

“The victims in this case were hard-working individuals who did not have money to spare, and indeed, many refinanced their homes in order to make an investment with the defendants,” said Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois, who announced

the sentences with William C. Monroe, Acting Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation. The Will County State's Attorney's Office and the Monee Police Department assisted in the investigation.

According to court records, the investigation of the Pilon, of Monee at the time, began in 2005 when the Illinois Securities Department ordered them to cease selling investments in the state. Instead of complying, the couple continued to solicit and obtain investment funds through 2005 and 2006. The couple operated numerous businesses through which they purported to sell two forms of investment — the Mortgage Acceleration Program, which essentially promised to pay investors' monthly mortgage payments, completely pay off the outstanding balance in two years, and generate additional returns, and the Private Placement Program, which also promised high-yield returns of as much as 100 percent or more on investments within 90 days. In fact, neither investment program existed and the Pilon used some funds they fraudulently obtained to make Ponzi-type payments to lull some investors, while using the remaining funds for themselves. As a result, some investors' mortgage payments were never made and their homes were foreclosed.

Among the funds the Pilon spent on themselves were \$14,000 for a diamond ring, \$54,000 for a Cadillac SUV, and \$125,000 for the down payment on a California residence once owned by tennis player Andre Agassi. They used additional funds to pay off their bankruptcy debts and to pay for restaurants, hotels, and airline tickets.

During court proceedings, Verna Pilon was identified as a member of the so-called Washitaw nation sovereign group and she repeatedly maintained that the U.S. District Court had no jurisdiction over her. Evidence showed that the Pilon were acquainted with many of their victims, including some who testified that the couple preyed upon their religious faith in appealing for investment funds.

The government was represented by Assistant U.S. Attorneys Sunil Harjani and Bolling Haxall.

Today's announcement is part of efforts underway by the Financial Fraud Enforcement Task Force (FFETF), which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. Attorneys' Offices, and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has facilitated increased investigation and prosecution of financial crimes; enhanced coordination and cooperation among federal, state and local authorities; addressed discrimination in the lending and financial markets, and conducted outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants, including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

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