

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

UNITED STATES OF AMERICA)
)
) v. No. _____
) Violations: Title 18, United States
JAMES PANTAZELOS) Code, Sections 1341 & 1343

COUNT ONE

The SEPTEMBER 2010 GRAND JURY charges:

1. At times material to this indictment:

(a) Defendant JAMES PANTAZELOS was a resident of Rockford, Illinois.

(b) Defendant JAMES PANTAZELOS was the owner and Chief Executive Officer of an entity known as Destiny’s Partners, Inc. (hereinafter “Destiny’s Partners”).

(c) Defendant JAMES PANTAZELOS maintained and controlled a business checking account in the name of “Destiny’s Partners, Inc., Escrow,” account number xxxxxx9118, at Associated Banc-Corp. (hereinafter “Associated Bank”).

(d) Defendant JAMES PANTAZELOS, acting individually and through agents and associates, solicited individuals to invest in Destiny’s Partners (hereinafter “the investors”).

2. From at least as early as May 2007, and continuing to at least December 2010, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

JAMES PANTAZELOS,

defendant herein, knowingly devised and engaged in a scheme to defraud the investors in Destiny's Partners, and to obtain money, funds, credit, and property belonging to the investors by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

3. It was the object of this scheme that defendant fraudulently obtained more than \$4,000,000 from the investors.

4. It was a part of the scheme that defendant and his agents and associates invited individuals to attend conferences held at various locations in the United States, including Milwaukee, Dallas, and San Diego, for the purpose of learning about investment opportunities with Destiny's Partners.

5. It was further a part of the scheme that defendant and his agents and associates falsely represented that Destiny's Partners placed its investors' funds in "Private Investment Trading Platforms" which traded bank notes in foreign markets.

6. It was further a part of the scheme that defendant and his agents and associates falsely represented that a substantial portion of the profits received by Destiny's Partners would be, and had in the past been, donated to charitable and humanitarian causes.

7. It was further a part of the scheme that defendant and his agents and associates falsely represented that investments in Destiny's Partners would be safe because the investments would be deposited into and kept in an escrow account.

8. It was further a part of the scheme that defendant and his agents and associates falsely guaranteed that the investors would receive their principal investments back from Destiny's Partners.

9. It was further a part of the scheme that defendant and his agents and associates offered the investors a variety of investment "options," for periods ranging from 90 to 365 days, which promised returns of up to 200%.

10. It was further a part of the scheme that defendant used some of the funds received by Destiny's Partners from newer investors to make *ponzi*-type payments to some of the prior investors in Destiny's Partners.

11. It was further a part of the scheme that defendant used the *ponzi*-type payments to deceive these investors into believing that their investments with Destiny's Partners had been successful.

12. It was further a part of the scheme that defendant used some of the prior investors who had received *ponzi*-type payments to recruit additional investors for Destiny's Partners.

13. It was further a part of the scheme that defendant used a substantial amount of the investors' funds to pay for his own personal expenses, including purchasing homes for himself and a family member, remodeling a family member's home, purchasing expensive automobiles for himself and family members, and attempting to open a restaurant that was to be known as "Jimmy P's."

14. It was further a part of the scheme that when the investment terms expired, defendant failed to pay the investors the promised rates of return and failed to return their principal to them.

15. It was further a part of the scheme that, in order to conceal his fraudulent scheme, defendant made false statements to the investors about why he could not pay them, such as that the United States government had frozen funds coming in to Destiny's Partners from foreign countries, when, as defendant well knew, the principal reason he could not repay the investors was because he had spent the majority of their funds on his own personal expenses and making *ponzi*-type payments to other investors.

16. It was further a part of the scheme that, in order to conceal his fraudulent scheme, defendant repeatedly told the investors that funds were about to be released to Destiny's Partners and he would be able to repay the investors in the near future.

17. It was further a part of the scheme that, in order to conceal his fraudulent scheme, defendant told the investors that if they filed lawsuits against him or Destiny's Partners, such lawsuits would delay the repayment of principal and promised returns to all of the investors.

18. On or about July 18, 2007, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be delivered by mail, according to the direction thereon, an envelope containing a check drawn on the bank account of "Investor A" in the amount of \$2,500, payable to Destiny's Partners, Inc., that envelope being delivered to defendant's home address in Rockford, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT TWO

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about September 17, 2007, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be delivered by mail, according to the direction thereon, an envelope containing a check drawn on the bank account of "Investor B" in the amount of \$6,250, payable to Destiny's Partners, Inc., that envelope being delivered to defendant's home address in Rockford, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT THREE

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about April 2, 2008, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be delivered by mail, according to the direction thereon, an envelope containing a check drawn on the bank account of "Investor C" in the amount of \$25,000, payable to Destiny's Partners, Inc., that envelope being delivered to defendant's home address in Rockford, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT FOUR

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about April 23, 2008, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be transmitted by means of a wire communication in interstate commerce, from an account held in the name of "Investor D" in Colorado, to the account of Destiny's Partners, Inc., account number xxxxxx9118, at Associated Bank, in Green Bay, Wisconsin, certain signals, namely a funds transfer in the amount of \$110,000;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about August 12, 2008, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be delivered by mail, according to the direction thereon, an envelope containing a money order purchased by "Investor E" in the amount of \$25,000, payable to Destiny's Partners, Inc., that envelope being delivered to defendant's home address in Rockford, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT SIX

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about September 4, 2008, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be delivered by mail, according to the direction thereon, an envelope containing a check drawn on the bank account of "Investor F" in the amount of \$110,000, payable to Destiny's Partners, Inc., that envelope being delivered to defendant's home address in Rockford, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT SEVEN

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about September 5, 2008, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be delivered by mail, according to the direction thereon, an envelope containing a check drawn on the bank account of "Investor G" in the amount of \$10,000, payable to Destiny's Partners, Inc., that envelope being delivered to defendant's home address in Rockford, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT EIGHT

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about September 11, 2008, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be transmitted by means of a wire communication in interstate commerce, from an account held in the name of "Investor H" in Colorado, to the account of Destiny's Partners, Inc., account number xxxxxx9118, at Associated Bank, in Green Bay, Wisconsin, certain signals, namely a funds transfer in the amount of \$600,000;

In violation of Title 18, United States Code, Section 1343.

COUNT NINE

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about August 12, 2009, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be transmitted by means of a wire communication in interstate commerce, from Wisconsin, to “Investor I” in DeKalb, in the Northern District of Illinois, Western Division, certain signals, namely facsimiles of documents entitled “Joint Venture Business Agreement” and “Destiny’s Partners Executive Plan”;

In violation of Title 18, United States Code, Section 1343.

COUNT TEN

The SEPTEMBER 2010 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and incorporated herein as if fully set forth.

2. On or about April 19, 2010, at Rockford, in the Northern District of Illinois, Western Division,

JAMES PANTAZELOS,

defendant herein, for the purpose of executing the aforesaid scheme, and attempting to do so, knowingly did cause to be transmitted by means of a wire communication in interstate commerce from Rockford, in the Northern District of Illinois, Western Division, via a computer server located outside the state of Illinois, to the computer of "Investor J," certain signals, namely an e-mail which stated that written documentation had been received which confirmed that Destiny's Partners would receive its funds on May 3, 2010;

In violation of Title 18, United States Code, Section 1343.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY