



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
MARCH 28, 2011**

**CONTACT: U.S. ATTORNEY'S OFFICE
ELLEN DAVIS, CARLY SULLIVAN,
JERIKA RICHARDSON, EDELI RIVERA
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**OPERATORS OF FRAUDULENT HEDGE FUND SENTENCED
IN MANHATTAN FEDERAL COURT TO 87 MONTHS IN PRISON**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that IGOR LEVIN and YEVGENY SHVARTSSHTEYN were each sentenced in Manhattan federal court to 87 months in prison for their leadership roles in a conspiracy to defraud investors of more than \$7 million through a fraudulent hedge fund. LEVIN, 41, and SHVARTSSHTEYN, 40, were sentenced before U.S. District Judge SIDNEY H. STEIN on Friday, March 25.

According to court records in this case:

From 2005 through September 2006, LEVIN and SHVARTSSHTEYN were among the individuals who controlled and operated A.R. Capital, which was the general partner of A.R. Capital Global Fund, L.P. (the "ARC Global Fund"), a purported hedge fund that solicited investors with false promises and representations. These false and fraudulent representations included, among others, claims that: (i) the ARC Global Fund was a hedge fund that invested primarily in the equity of international real estate companies; and (ii) the ARC Global Fund invested in real estate, oil, gas and other commodities. In reality, there were no such investments. The defendants defrauded their victims of more than \$7 million in investor funds, which were wired to various bank accounts in Eastern Europe. From February 2006 until September 2006, when the United States Securities and Exchange Commission ("SEC") shut down the operation, LEVIN and SHVARTSSHTEYN controlled the ARC Global Fund.

* * *

LEVIN, of Brooklyn, New York, and SHVARTSSHTEYN, of Belle Harbor, New York, each previously pled guilty to one count of conspiring to commit mail and wire fraud for their participation in the investment scheme. Judge STEIN also entered forfeiture orders in the amount of \$7 million against LEVIN and SHVARTSSHTEYN, which constituted proceeds from their crime.

Mr. BHARARA praised the investigative work of the joint Federal Bureau of Investigation and New York City Police Department task force in this case, and thanked the SEC for its assistance.

The prosecution is being handled by the Office's Organized Crime Unit. Assistant U.S. Attorney DANIEL S. GOLDMAN is in charge of the prosecution.

11-084

###