



*United States Attorney  
Southern District of New York*



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**RECIDIVIST FRAUDSTER PLEADS GUILTY IN MANHATTAN FEDERAL  
COURT TO PARTICIPATING IN FRAUDULENT INVESTMENT SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that JAMES DeANGELIS pled guilty yesterday to conspiracy and wire fraud charges stemming from his participation in a fraudulent investment scheme through which he and others defrauded more than a dozen victims out of more than a half-million dollars. DeANGELIS pled guilty before U.S. Magistrate Judge MICHAEL H. DOLINGER.

According to the Indictment, a Complaint previously filed in this case, and statements made during yesterday's guilty plea:

Between 2005 and 2009, JAMES DeANGELIS formed and operated sham businesses in the names of "E&J Equity Group, Inc.," and "Golden Silver Opportunities, LLC." Using those sham businesses, DeANGELIS solicited over \$700,000 from victims by falsely representing that he would invest their money in gold, silver, and other precious metals. Instead of using this money for investment purposes, DeANGELIS misappropriated it for his personal use and the use of others. For example, DeANGELIS and a co-conspirator withdrew more than \$350,000 of investors' money in cash, transferred \$45,000 to his personal account at a casino in Atlantic City, New Jersey, and incurred debit card charges of more than \$140,000 on personal expenditures.

DeANGELIS also structured the cash withdrawal of the fraudulent proceeds in order to evade federal reporting requirements. Specifically, DeANGELIS and a co-conspirator made cash withdrawals totaling more than \$350,000 in amounts that approached, but did not exceed, \$10,000 in order to avoid the filing of Currency Transaction Reports.

DeANGELIS had previously been convicted of conspiracy to commit mail fraud for a separate scheme in which he fraudulently induced individuals to send money for the purchase

of coins, gold, silver, and other precious metals. In connection with the scheme to which he pled guilty yesterday, DeANGELIS solicited money from a victim of his prior scheme by falsely promising that victim that he could obtain the purported profits from his earlier investments by sending more money.

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DeANGELIS, 48, pled guilty to conspiracy to commit mail and wire fraud, wire fraud, and conspiracy to structure financial transactions to evade reporting requirements. The conspiracy to structure financial transactions charge carries a maximum sentence of 5 years in prison, and each of the other counts carries a maximum sentence of 20 years in prison. He also faces a maximum fine on each count of \$250,000 or twice the gross gain or gross loss from the offense.

DeANGELIS is scheduled to be sentenced by U.S. District Judge Colleen McMahon on September 3, 2011.

Mr. BHARARA praised the investigative work of the United States Postal Inspection Service.

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This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force 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.

The case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorney RICHARD TARLOWE is in charge of the prosecution.

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