



*United States Attorney  
Southern District of New York*

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**NORTH CAROLINA MAN PLEADS GUILTY IN MANHATTAN FEDERAL  
COURT TO PERPETRATING \$80 MILLION PONZI SCHEME**

*Ponzi Scheme Involved Fraudulent Investments In ATM Machines*

PREET BHARARA, United States Attorney for the Southern District of New York, announced that VANCE MOORE II pled guilty today in Manhattan federal court to nine counts of wire fraud and one count of conspiracy to commit wire fraud for his role in an \$80 million Ponzi scheme involving fraudulent investments in Automated Teller Machines ("ATMs"). MOORE pled guilty before U.S. District Judge THOMAS P. GRIESA.

According to the Indictment, statements made during various proceedings in this case, and statements made during today's guilty plea:

From 2005 through January 2008, MOORE and his co-defendant, WALTER NETSCHI, solicited over \$80 million worth of investments in ATMs purportedly placed in various retail locations around the country, including convenience stores, gas stations, malls, and hotels. MOORE and NETSCHI claimed that the ATMs would generate revenue streams for the victims based on fees charged for withdrawals of cash. In reality, MOORE and NETSCHI did not use the victims' funds to purchase ATMs, but rather used the money to further the fraudulent scheme and to enrich themselves.

MOORE and NETSCHI entered into contracts with victims falsely representing that the victims collectively had purchased over 4,000 ATMs. In fact, approximately 90 percent of the machines sold to the victims either did not exist or were never owned by MOORE or NETSCHI. To further the fraudulent scheme, MOORE transmitted monthly reports and monthly payments to the victims relating to their investments in the ATMs. The reports actually contained false information and the payments were not revenues from ATMs, but were simply monies received by NETSCHI from new investors.

MOORE made additional misrepresentations to victims who noticed discrepancies in the monthly reports or inquired about problems concerning ATMs they believed they had bought. For example, in the fall of 2006, a victim visited the location of an ATM in Florida that he thought he had purchased from NETSCHI's company and that was purportedly being serviced by MOORE's company. The investor could not find the ATM and was informed by the hotel where the ATM was supposedly located that no such ATM existed. MOORE then falsely represented to the investor that the ATM in question had been relocated elsewhere in Florida.

MOORE, 55, of Raleigh, North Carolina, faces a maximum penalty of 200 years in prison, and a fine of over \$2,500,000. MOORE has also agreed to a money judgment of \$50 million and to specifically forfeit his right, title, and interest in properties located in North Carolina and Florida.

Manhattan U.S. Attorney PREET BHARARA said, "Today's guilty plea confirms that Vance Moore treated his victims like cash machines to fund his \$80 million Ponzi scheme. He repeatedly lied to them in order to steal their hard-earned funds pretending to purchase ATM machines that in fact didn't exist. This Office, working with our partners at the FBI, remains committed to exposing, prosecuting and punishing the perpetrators of Ponzi schemes."

Mr. BHARARA praised the work of the FBI in the investigation of this case.

The case is being handled by the Complex Frauds Unit of the U.S. Attorney's Office. Assistant U.S. Attorneys ANTONIA M. APPS, CARRIE H. COHEN, and MICHAEL LOCKARD are in charge of the prosecution.

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