Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 6, 2010
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FINANCIAL FRAUD ENFORCEMENT TASK FORCE ANNOUNCES LOCAL RESULTS OF "BROKEN TRUST" TARGETING CORPORATE AND INVESTMENT FRAUD

Detroit, Michigan - Following an announcement today by Attorney General Eric Holder in Washington, DC, representatives of the Financial Fraud Enforcement Task Force in Detroit, Michigan, including U.S. Attorney Barbara L. McQuade and Special Agent in Charge Andrew G. Arena, Federal Bureau of Investigation, announced the local results of the nationwide takedown, "Operation Broken Trust," the largest collective enforcement effort ever brought to bear in confronting investment and corporate fraud in the Eastern District of Michigan and throughout the country.

The sweep was organized by President Obama's interagency Financial Fraud Enforcement Task Force, which was established to lead an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. Since August 16, 2010, Operation Broken Trust has involved enforcement actions against 343 criminal defendants and 189 civil defendants for fraud schemes involving more than 120,000 victims throughout the country. The operation's criminal cases involved more than $8.3 billion in estimated losses and the civil cases involved more than $2.1 billion.

"With this operation, the Financial Fraud Enforcement Task Force is sending a strong message," said Attorney General Holder. "To the public: be alert for these frauds, take appropriate measures to protect yourself, and report such schemes to proper authorities when they occur. And to anyone operating or attempting to operate an investment scam: cheating investors out of their earnings and savings is no longer a safe business plan - we will use every tool at our disposal to find you, to stop you, and to bring you to justice."

U.S. Attorney Barbara L. McQuade stated, "Investment fraud is a serious problem that often targets the elderly and other vulnerable victims whose lives are ruined and whose savings are wiped out. The economic impact of these frauds on our community is dramatic and far reaching. Our office is not only addressing these crimes by charging those who have committed them, but we

are actively partnering with community groups such as AARP and regulators including the Michigan Office of Financial and Insurance Regulation to prevent our citizens from falling victim in the first place."

Special Agent in Charge Andrew G. Arena stated, "This type of fraudulent activity has adversely affected our economy and the lives of many individuals. The FBI is determined to target these criminals and bring them to justice."
In the past four months, "Operation Broken Trust" has resulted in 9 individuals being charged federally by way of Complaint, Information or Indictment in the Eastern District of Michigan. These defendants obtained over $40 million from their more than 300 victims.

Investment fraudsters all steal money from their victims, but the schemes they use are varied. For example:

- On September 28, 2010, Anthony A. James, 43, of Parkland, Florida and Troy, Michigan, was sentenced to 13½ years in prison and ordered to pay $2,667,750 in restitution for committing mail fraud, wire fraud, and embezzling from an employee benefit plan. James was convicted by a jury of all fourteen counts of an Indictment which charged that from 2001 through June 2009, he fraudulently received approximately $5,300,000 from over forty investors, most of whom resided in Illinois, Florida, and Michigan. Among the investors were the owners and employees of Advocate in Manpower Management, Inc. of Boca Raton, Florida, who wired money to James for investment in their Simple Individual Retirement Account Plan. James represented to investors and pension plan participants that he would invest their money in securities, bonds, and mutual funds for their benefit. Rather than invest the money as he represented, James used about $2.6 million in investor funds to buy two homes and to pay for his personal expenses. James gave approximately $2.8 million he obtained from recent victim investors to prior investors, to lull them into believing their investments were paying legitimate returns, in a manner characteristic of a "Ponzi" scheme.

- Stockbroker Lawrence E. Chia took approximately $2 million from fifteen investors, and falsely promised to invest it in a fictitious bond fund which he called "Crystal Sky." In fact, Chia used their money to pay his personal expenses and to invest legitimately for his own benefit. As part of his scheme, Chia mailed fictitious "subscription statements" to the victim investors, assuring them their money was, in fact, invested in the Crystal Sky bond fund. On Thursday December 2, 2010, Chia pleaded guilty to Mail Fraud, and he awaits sentencing before United States District Judge Victoria A. Roberts.

- Also on Thursday December 2, 2010, Candice D. Campbell of Canton, Michigan and Jessie A. Wozniak, of Garden City, Michigan, were arrested and charged in a complaint with Bank Fraud. The complaint alleges that in April 2009, Campbell and Wozniak set up a sham investment firm they called CJ's FINANCIAL (CJF). Campbell held herself out to be the Chief Financial Officer, and Wozniak called himself the Founder and Chief Executive Officer. Campbell and Wozniak lured approximately 80 individuals located in Michigan, New York, Arizona, Connecticut, and Colorado to invest almost $1,150,000 with CJF by falsely representing that they were investing the money in the stock market. Campbell and Wozniak made several false and fraudulent promises and representations to potential investors via the CJF website, direct communications, and investor financial services agreements. For example, they falsely represented that CJF would make daily stock trades on each investor's behalf through a TD Ameritrade account; that investments would never lose value; that monthly returns would be 10%-20%; that capital gains taxes on investment profits would be paid by CJF; that money could be withdrawn at anytime; and that Campbell was a licensed financial planner.

The President's Financial Fraud Enforcement Task Force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement working together to bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to coordinate the efforts of federal, state and local investigative agencies to successfully 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. For more information on the task force, visit http://www.stopfraud.gov/.