



**United States Department of Justice
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District of Minnesota**



News Release

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Trevor Cook Sentenced to 25 Years in Prison for Swindling 923 Investors out of \$158 Million

Trevor Cook, age 38, of Apple Valley, Minnesota, was sentenced earlier today in federal court in Minneapolis for orchestrating a Ponzi scheme that collectively cost more than 900 investors \$158 million. United States District Court Judge James M. Rosenbaum sentenced Trevor Gilson Cook to 300 months in prison on one count of mail fraud and one count of tax evasion in connection to the crime. In imposing the sentence, Judge Rosenbaum described Cook's offense as "retched, tawdry, and cheap." Cook was charged on March 30, 2010, and pleaded guilty on April 13, 2010.

Following today's sentencing hearing, United States Attorney for the District of Minnesota, B. Todd Jones, said, "Affinity fraud is a horrible crime. Victims are swindled not only of their money, but of their trust. Cook preyed upon those with whom he made connections through church or in the community. Today he atoned for his crimes."

In his plea agreement, Cook admitted that from January 2007 through July 2009, he schemed to defraud people by purportedly selling investments in a foreign currency trading program. In reality, however, he diverted a substantial portion of the money provided him for other purposes, including making payments to previous investors; providing funds to Crown Forex, SA, in an effort to deceive Swiss banking regulators; purchasing ownership interest in two trading firms; buying a real estate development in Panama; paying personal expenses, including substantial gambling debts; and acquiring the Van Dusen Mansion in Minneapolis.

The Internal Revenue Service and the FBI, both of which investigated the case, released statements after today's sentencing. IRS Criminal Investigation Special Agent in Charge Julio La Rosa warned the public, "Don't fall victim to these types of schemes, which involve taking money from later investors and using it to pay earlier ones. Although the economics of Ponzi schemes are simple, contemporary swindlers conceal this fact with sophisticated marketing. Go beyond the sales pitch and personality to find the truth behind the numbers." Ralph S. Boelter, Special Agent in Charge of the local FBI office, added, "Mr. Cook is responsible for swindling over a hundred million dollars from the collective savings of his victims. The FBI will continue to vigorously pursue those criminals who prey on our citizens in order to satisfy their own financial greed."

Cook has been in jail since January because he refused to hand over more than \$35 million in frozen assets, including \$27 million in offshore accounts, a BMW and two Lexus automobiles, a collection of expensive watches as well as a collection of Faberge eggs, and \$670,000 in cash. He now agrees to assist the government in recovering assets to repay victims for their losses. If he fails to do so, he will be subjected to additional court action.

To carry out his massive Ponzi scheme, Cook caused false statements to be made to potential investors, including promises that the investment program would generate annual returns of ten to twelve percent, and that trading would present little or no risk to the investors' principal. He also caused material information to be withheld from investors, such as the precarious financial position of Crown Forex, SA, in Switzerland, an entity through which he traded. In addition, he withheld the fact that trading at PFG in Chicago generated losses in excess of \$35 million between July 1, 2006, and August 31, 2009.

To further his scheme, Cook caused an account to be opened in the name of Crown Forex, LLC, at Associated Bank, which he used to deposit investor funds subsequently diverted for his own use as well as the use of others. He also caused statements to be sent to investors that misrepresented the status of their investments. Moreover, he caused due-diligence letters to be prepared that falsely indicated that Oxford Global Advisors had more than \$4 billion in assets under management, and that all accounts were liquid.

Specific to the charges of mail fraud and tax evasion, Cook now admits that on January 29, 2009, he caused a \$50,000 check to be sent through the U.S. mail from Arizona to Minnesota for investment in his foreign currency trading program. He also admitted that on April 15, 2009, he filed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, for calendar year 2008. That return failed to report taxable income of at least \$5,285,719, upon which tax was due in the amount of at least \$1,844,571.

As stated previously, this case was the result of an investigation by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation Division. Assistance was provided by the U.S. Securities Exchange Commission and the U.S. Commodity Futures Trading Commission. It was prosecuted by Assistant U.S. Attorney Joe Dixon and former Assistant U.S. Attorney Frank J. Magill.

This law enforcement action was in part sponsored by the interagency Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. It 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, 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.

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