



Department of Justice

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Western District of Michigan

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FOREIGN CURRENCY TRADER PLEADS GUILTY TO FRAUD SCAM

GRAND RAPIDS, Mich. – U.S. Attorney Donald A. Davis announced that Jeffrey Lee Groendyke, 41, of Middleville, pled guilty today to a federal wire fraud charge before U.S. Magistrate Judge Ellen Carmody. Groendyke admitted to fraudulently obtaining approximately \$1,000,000 from investors in JG Forex Fund, a foreign currency exchange company he ran in Middleville, Michigan between May 2010 and May 2011. Groendyke admitted that he engaged in fraud by misleading his approximately 40 investors into believing that JG Forex Fund was making a profit for them when in fact it had lost money and was not financially viable, and by misappropriating the money invested for purposes not permitted by them.

The wire fraud statute carries a maximum penalty of 20 years in prison, a \$250,000 fine, restitution and other penalties. A sentencing date has not yet been set but is expected to be during March, 2012. The sentencing hearing will be held before U.S. District Judge Janet T. Neff in Grand Rapids. Groendyke was released on bond pending sentencing.

This investigation was conducted by the Grand Rapids Office of the Federal Bureau of Investigation. Prosecution of the case is being handled by Assistant U.S. Attorney Timothy VerHey.

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