



THE UNITED STATES DEPARTMENT of JUSTICE

United States Attorney's Office
Western District of Michigan

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OTTAWA COUNTY MAN PLEADS GUILTY TO SECURITIES FRAUD

GRAND RAPIDS, MICHIGAN — U.S. Attorney Andrew Birge announced today that Joshua Louis Rupp, 37, previously of West Olive, Michigan, pled guilty to a felony information alleging securities fraud before the Honorable Sally J. Berens, United States Magistrate Judge. As part of the plea agreement, Rupp has agreed to be ordered to pay full restitution to the victims of his crime. Rupp faces up to 25 years in prison when he is sentenced next year by the Honorable Hala Y. Jarbou, United States District Judge. The Court has not yet set a sentencing date.

According to the plea agreement and felony information, from 2015 to 2019, Rupp recruited investors by posing as a licensed broker or trader who worked at one of two different brokerage firms. Rupp told investors that he worked under the supervision of fictitious persons at those firms, one of whom he claimed was his uncle. Rupp also told investors that the principal of the investments could not be lost for various reasons, including his choice of investments, trading strategy, and insurance. Rupp fabricated documents as part of the scheme, including false account statements, a fraudulent securities license, and business documents bearing the logos of the companies for which he claimed to work. Some of the documents stated that he had passed a securities trader qualification examination or that he was registered with the State of Michigan. These claims, and others he made to induce and retain investments, were false. In total, Rupp obtained more than \$2.7 million from at least 19 investors, misappropriated more than \$500,000 of investors' funds, and lost most of the remaining funds trading securities.

The U.S. Securities and Exchange Commission filed a civil complaint against Rupp on July 28, 2021, related to some of the conduct charged in the felony information. That case was stayed on the U.S. Attorney's Office's motion pending entry of final judgment in the criminal matter.

"Securities trading is a risky business, and for good reason the professionals who do it are licensed and specially trained," said U.S. Attorney Birge. "This defendant misrepresented his qualifications to trade on behalf of investors in order to obtain money, lied about the performance of their investments, and misappropriated significant portions of the investments for his own personal gain. He has taken the first step toward making amends by accepting responsibility for this serious crime."

“The defendant fabricated nearly everything about himself as a broker—his license, experience, and business connections—to induce investors to trust him with their money. He then betrayed that trust by taking a portion of the money for his personal use and fabricating false account statements,” said Timothy Waters, Special Agent in Charge of the Federal Bureau of Investigation in Michigan. “Financial crimes are not victimless, and I’d like to thank the Ottawa County Sheriff’s Office for their assistance in providing a measure of justice to the victims impacted by Mr. Rupp’s crimes.”

It is possible that Rupp defrauded victims who have not yet come forward. Any person who believes that he or she is a victim of the charged scheme to defraud, and who has not yet communicated with federal law enforcement, should contact the Victim and Witness Unit of the U.S. Attorney’s Office at (616) 808-2034. Case updates will be available at <https://www.justice.gov/usao-wdmi/victim-and-witness-assistance-program/vw-large-cases>.

The FBI conducted the investigation, with assistance from the Ottawa County Sheriff’s Office. Assistant U.S. Attorney Justin M. Presant is prosecuting the case.

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