



## **LAW ENFORCEMENT AND PUBLIC INTEREST GROUPS TO HOLD CONSUMER FRAUD SUMMIT OCT. 11 IN BEACHWOOD**

The U.S. Attorney's Office, Federal Bureau of Investigation, Ohio Attorney General, Federal Trade Commission, Citizen's Legal Academy of the Cleveland Metropolitan Bar Association, Legal Aid Society and others are holding an investor fraud summit to help consumers protect their hard-earned money from fraud.

The summit will take place Thursday, Oct. 11, 2012, in Beachwood, Ohio, from 8:30 a.m. to 12:30 p.m. EDT at the Montefiore Senior Living Center located at 1 David Myers Parkway.

This is one of six regional summits taking place across the country. The others are in Stamford, Conn.; Nashville, Tenn.; San Francisco; Denver and Miami and are a part of the ongoing efforts of President Obama's Financial Fraud Enforcement Task Force's (FFETF) Securities and Commodities Fraud Working Group.

The FBI reports an unprecedented rise in investment fraud schemes, involving thousands of victims and staggering losses. Since 2011, the Justice Department's Criminal Division and 85 U.S. Attorneys' offices have reported that approximately 800 defendants have been charged, tried, pleaded or sentenced in approximately 500 federal prosecutions involving investor fraud. The total reported amount cheated from victims for this time period tops more than \$20 billion. This staggering number includes cases where the total amount victims lost range from tens of thousands of dollars to hundreds of millions, and, in some cases, billions in hard-earned savings.

"Investor fraud crimes can erode faith in our financial markets, threaten our nation's ongoing economic recovery, and undermine the fabric of our communities," said Attorney General Eric Holder. "That's why protecting the American people from fraud is a top priority for today's Justice Department. And through the Investor Fraud Summits we announce today, we'll take our anti-fraud efforts to a new level - by raising awareness about these devastating offenses, educating consumers on how to report suspected fraud schemes and empowering members of the public to fight back."

Although the defendants in these federal prosecutions used a variety of tactics and schemes, they often took the same approach, guaranteeing high returns and, in many instances, providing falsified investment documents to victims. As a result, those victims lost retirement savings, military survivor benefits, family death settlements and money set aside for college tuition and mortgage payments. While the Justice Department has already obtained prison sentences for many of these scammers, including one sentence of up to 50 years, for many of the more 100,000 victims the damage to their families is irreparable.

Since 2011, the SEC, a FFETF partner agency, has charged 887 individuals and entities in 359 actions involving retail investor fraud. Nearly \$9.7 billion have been alleged lost by over 1.2 million investors in those cases.

“Whether a cold-call, polished website, or email solicitation, fraudsters will use every means at their disposal to convince investors to part with their money,” said SEC Director of Enforcement Robert Khuzami. “That is why investor education is so critical -- in maintaining financial health as much as physical health, an ounce of prevention is worth a pound of cure.”

In addition to the investor fraud summits across the country, in the coming weeks the Victims’ Rights Committee of the Financial Fraud Enforcement Task Force will host an unprecedented event, in partnership with the Justice Department, the Certified Financial Planner Board and the Foundation for Financial Planning, to offer free financial consulting services to 8,000 victims of an investment fraud scheme that was indicted in Chicago. In this case, the defendant falsely guaranteed high rates of return in a Ponzi scheme that caused the loss of more than \$300 million of investors’ funds. Many of the victims were retirees who found the promised high rates of return, coupled with other false promises, an attractive investment alternative for their individual retirement account (IRA) and other retirement-type investments.

The local investor fraud summit will take place Thursday, Oct. 11, 2012, in Beachwood, Ohio, from 8:30 a.m. to 12:30 p.m. EDT at the Montefiore Senior Living Center located at 1 David Myers Parkway. The summit will be hosted by U.S. Attorney for the Northern District of Ohio Steven Dettelbach and Jon M. Steiger, East Central Regional Director for the Federal Trade Commission.

Attendees will include U.S. Attorney for the Eastern District of Michigan Barbara McQuade, U.S. Attorney for the Southern District of Ohio Carter Stewart and U.S. Attorney for the Western District of Pennsylvania David Hickton. Federal, state and local law enforcement officials, including Director of the SEC’s Chicago Regional Office Merri Jo Gillette, along with representatives from consumer groups will discuss investor and consumer fraud, with a particular focus on scams that target senior citizens and the elderly. These experts will offer advice, discuss fraud trends and detail the best ways to protect yourself and your savings. For more information

on the summit in Beachwood, please contact Jena Suhadolnik at 216-622-3695 or [jena.suhadolnik@usdoj.gov](mailto:jena.suhadolnik@usdoj.gov).

For tips on how to spot investor scams and for more information on investor fraud in general, please visit: [www.stopfraud.gov](http://www.stopfraud.gov).

President Obama established the interagency Financial Fraud Enforcement Task Force (FFETF) to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force, chaired by Attorney General Eric Holder, 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, to 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. For more information about the FFETF, please visit: [www.stopfraud.gov](http://www.stopfraud.gov).

Everyone is welcomed to join us for this important meeting. Please RSVP by October 5, 2012 by contacting Jena Suhadolnik at [Jena.Suhadolnik@usdoj.gov](mailto:Jena.Suhadolnik@usdoj.gov) or (216) 622-3695.

