



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York



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MANHATTAN U.S. ATTORNEY AND FBI ASSISTANT DIRECTOR-IN-CHARGE ANNOUNCE INDICTMENT OF PHILADELPHIA BUSINESSMAN IN CONNECTION WITH \$4 MILLION INVESTMENT FRAUD SCHEME

Defendant Originally Charged with Wire Fraud Now Also Charged with Securities Fraud

Preet Bharara, the United States Attorney for the Southern District of New York, and Janice K. Fedarczyk, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced today that TYRONE L. GILLIAMS, JR., the owner of TL Gilliams, LLC, was indicted on charges of securities fraud and wire fraud for operating a fraudulent United States Treasury Strips investment program. Treasury Strips are securities derived from United States Treasury Bonds. GILLIAMS, 44, was previously charged with wire fraud by Complaint and arrested on October 5, 2011, at his residence in Philadelphia, Pennsylvania.

According to the Indictment returned by the grand jury today:

GILLIAMS is the owner of TL Gilliams, LLC. In the summer of 2010, GILLIAMS personally solicited \$4 million dollars from an investor for purposes of trading in United States Treasury Strips. Upon receiving the money from the investor, GILLIAMS misappropriated almost all of it.

A substantial portion of the investor's money was used by GILLIAMS to fund a black-tie gala called the "Joy to the World" festival, which was held at the Ritz-Carlton hotel in Philadelphia on December 18, 2010. GILLIAMS spent more than \$1 million on that event and on promoting the "Gatta Be Jokin Comedy Jam" in the Bahamas in December 2010. He used another \$450,000 of the \$4 million to refund a deposit from a prior investor. GILLIAMS also misappropriated approximately \$1.6 million for what he claimed was a gold investment in Ghana.

* * *

The Indictment charges GILLIAMS with one count of securities fraud and one count of wire fraud. Each count carries a maximum potential penalty of 20 years in prison. He also faces a maximum fine of \$5 million or twice the gross gain or loss from the offense on the securities fraud count, and of \$250,000 or twice the gross gain or gross loss from the offense on the wire fraud count. The case has been assigned to United States District Judge Deborah A. Batts.

Mr. Bharara praised the work of the Federal Bureau of Investigation, which jointly investigated this case with the Criminal Investigators of the United States Attorney's Office. He also thanked the U.S. Securities and Exchange Commission, and said the investigation is continuing.

This case was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, on which Mr. Bharara serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force 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.

This case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorney Michael A. Levy is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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