



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York



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FOR IMMEDIATE RELEASE
Friday, January 6, 2012
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**NEVADA MAN SENTENCED IN MANHATTAN FEDERAL COURT TO
57 MONTHS IN PRISON FOR ORCHESTRATING FRAUDULENT
INVESTMENT SCHEME**

Preet Bharara, the United States Attorney for the Southern District of New York, announced that JAMES DeANGELIS was sentenced today by U.S. District Judge Colleen McMahon to 57 months in prison for his participation in a fraudulent investment scheme through which he and others defrauded more than 15 victims out of more than \$800,000. DeANGELIS previously pled guilty in May 2011 to conspiracy to commit mail and wire fraud, wire fraud, and conspiracy to structure financial transactions to evade reporting requirements.

Manhattan U.S. Attorney Preet Bharara said: "James DeAngelis is a recidivist offender who twice used virtually identical schemes to defraud investors. But he was too clever by half and was once again apprehended and prosecuted for his crimes. With today's sentence he will now be punished."

According to the Indictment, a Complaint previously filed in this case, and statements made during the guilty plea:

Between 2005 and 2009, JAMES DeANGELIS formed and operated sham businesses in the names of "E&J Equity Group, Inc.," and "Golden Silver Opportunities, LLC." Using those sham businesses, DeANGELIS solicited over \$800,000 from victims by falsely representing that he would invest their money in gold, silver, and other precious metals. Instead of using this money for investment purposes, DeANGELIS misappropriated it for his personal use and the use of others. For example, DeANGELIS and a co-conspirator withdrew more than \$350,000 of investors' money and transferred \$45,000 to his personal account at a casino in Atlantic City, New Jersey, and incurred debit card charges of more than \$140,000 on personal expenditures.

DeANGELIS also structured the cash withdrawal of the fraudulent proceeds in order to evade federal reporting requirements. Specifically, DeANGELIS and a co-conspirator made cash withdrawals totaling more than \$350,000 in amounts that approached, but did not exceed, \$10,000 in order to avoid the filing of Currency Transaction Reports with the United States Treasury Department.

DeANGELIS had previously been convicted in 1995 of conspiracy to commit mail fraud for a similar but separate scheme in which he fraudulently induced individuals to send him money for the purchase of coins, gold, silver, and other precious metals. In connection with the

scheme to which he pled guilty in May, DeANGELIS solicited money from a victim of his prior scheme by falsely promising that victim that he could obtain the purported profits from his earlier investments by sending more money.

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In addition to the prison term, Judge McMahon sentenced DeANGELIS, 48, of Las Vegas, Nevada, to three years of supervised release. DeANGELIS was also ordered to pay forfeiture in the amount of \$861,729, \$861,729 in restitution, and a \$300 special assessment fee.

Mr. Bharara praised the investigative work of the United States Postal Inspection Service. He also thanked the Florida Office of Financial Regulation for its assistance in this case.

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.

The case is being handled by the Office's Securities and Commodities Fraud Task Force. Assistant U.S. Attorney Richard Tarlowe is in charge of the prosecution.

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