



U.S. Department of Justice

*United States Attorney
District of Maryland
Northern Division*

*Allen F. Loucks
United States Attorney*

*Vickie E. LeDuc
Public Information Officer*

*36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201*

*410-209-4800
TTY/TDD:410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov*

**JUNE 9, 2005
FOR IMMEDIATE RELEASE**

**FOR FURTHER
INFORMATION CONTACT
VICKIE LeDUC, AUSA
(410) 209-4885**

FINANCIAL WARFARE CLUB CO-FOUNDER CONVICTED

Greenbelt, Maryland – Allen F. Loucks, United States Attorney for the District of Maryland, announces that yesterday Marcus D. Dukes, age 35, of Oak Park, Michigan was convicted after a three week trial on four counts of mail fraud, seven counts of interstate transportation of money obtained by fraud and one count of money laundering in connection with a company he co-founded known as the Financial Warfare Club (“FWC”). The jury also ordered Dukes to forfeit \$1,173,518-- the proceeds of the scheme to defraud.

According to evidence presented at trial, Dukes executed a scheme to defraud potential investors in FWC by making numerous misrepresentations and omissions of material facts at presentations they made to numerous African-American Pentecostal churches promoting membership in FWC. Evidence showed that Dukes represented that FWC members would receive “financial literacy” courses and grants of stock in 3 “infrastructure” companies prior to the initial public offerings, but that individuals who joined FWC never received any of these promised benefits. The evidence also showed that Dukes induced potential investors to invest in FWC by falsely touting that: he had worked on Wall Street, had experience in taking companies public such as Today’s Man, and also telling investors that he and another individual had invested over \$1.5

million of their own money into FWC. Finally, the evidence showed that FWC obtained in excess of 800 members and raised in excess of \$1.3 million.

Dukes faces a maximum penalty of 10 years imprisonment for money laundering, 5 years for each count of mail fraud and interstate transportation of money obtained by fraud, a \$250,000 fine, and 5 years of supervised release.

Dukes' sentencing is scheduled for September 12, 2005. Co-defendant Teresa Hodge is awaiting trial on the same charges.

This case is the result of an investigation by the Federal Bureau of Investigation, which was assisted by the Securities and Exchange Commission, and the United States Attorney's Office. The case was prosecuted by Assistant U. S. Attorneys Bryan E. Foreman and Steven M. Dunne.