



Department of Justice

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Northern District of Georgia

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ATLANTA CURRENCY TRADER CHARGED WITH OPERATING \$25 MILLION PONZI SCHEME

James G. Ossie's Scheme Allegedly Defrauded Over 120 Investors In Just 9 Months

Atlanta, GA - JAMES G. OSSIE, 49, of Atlanta, the founder and principal of an Alpharetta, Georgia-based currency trading firm, "CRE Capital, Inc.," has been indicted by a federal grand jury on 10 counts of wire fraud. OSSIE is scheduled to surrender in federal court on Friday, March 20, 2009, for an initial appearance, bond hearing, and arraignment.

United States Attorney David E. Nahmias said, "This indictment alleges yet another disturbing Ponzi scheme with a similar result: many victims lose a lot of their hard-earned money in a short amount of time. These fraudulent schemes rely on attracting investors who are willing to believe in claims that are too good to be true. These cases are getting a lot of attention for a reason. They are major investment fraud schemes, and the masterminds are finding themselves arrested and facing serious charges and prison time."

According to United States Attorney Nahmias, the indictment and other information presented in court: OSSIE and CRE Capital operated an investment fund for private clients focused on options contracts in foreign currencies. The fund operated from approximately April 2008 into January 2009, when it was shut down by the United States Securities and Exchange Commission ("SEC").

OSSIE and CRE offered investment contracts, in amounts of at least \$100,000, that guaranteed the return of an investor's deposit plus 10% interest within just 30 days. OSSIE claimed to be able to pay such substantial monthly returns because he typically made even more than that through his trading activity. OSSIE also claimed that his trading profits allowed him to fund a substantial cash "reserve fund" sufficient to re-pay all investors their deposit plus 10% monthly profit, in case the market deteriorated. OSSIE claimed that CRE Capital even hired outside accountants, or auditors, who reviewed and confirmed the accuracy of the numbers. The indictment also alleges that although CRE hired outside accountants for limited projects, OSSIE did not allow any

access to the records of the trading accounts that would have revealed his substantial losses.

OSSIE made these representations directly to individual investors, through salespersons known as “correspondents,” through the CRE Capital website, and in numerous mass conference calls involving groups of investors and prospective investors.

However, the indictment alleges that these representations were all lies. Instead of making profits sufficient to pay 10% monthly returns and fund a “reserve” account, the indictment alleges that OSSIE lost millions of dollars. Just during CRE’s 9-month lifespan, the firm lost over \$12 million in its foreign currency trading accounts. The indictment alleges that there was no “reserve” account sufficient to repay investors. By the end of 2008, CRE owed over \$23 million in pending investment contracts but only had just over \$2 million deposited in all of its bank and trading accounts combined.

Because he was making no profits, OSSIE was only able to re-pay investors their deposits and guaranteed 10% returns through what is referred to as a “Ponzi” scheme. Specifically, OSSIE allegedly paid his debts to existing investors with money recently invested by new investors. When the time came to pay the returns promised to the new investors, OSSIE would recruit more investments from still newer investors. This unsustainable scheme was identified and shut down by the SEC in January 2009. In the meantime, OSSIE had raised over \$25 million from over 120 investors, approximately half of which was lost in unsuccessful currency trading.

United States Attorney Nahmias and the FBI noted that this investigation remains ongoing.

Members of the public are reminded that the indictment contains only allegations. A defendant is presumed innocent of the charges and it will be the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

This case is being investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorneys Justin S. Anand and Douglas W. Gilfillan are prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.