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**OWNER OF AVON FINANCIAL FIRM ADMITS
STEALING MORE THAN \$4 MILLION FROM INVESTORS**

Kevin J. O'Connor, United States Attorney for the District of Connecticut, announced that DAVID M. FAUBERT, age 50, of Simsbury, Connecticut, waived indictment and pleaded guilty today before Senior United States District Judge Ellen Bree Burns in New Haven to 10 counts of mail fraud, one count of embezzlement from an employee benefit plan, and four counts of filing false tax returns.

According to documents filed with the Court and statements made in court, FAUBERT, a registered agent for certain broker dealers and investment advisors, owned and controlled a company called *Faubert Investment Group, Inc.* (FFG), of Avon, Connecticut. Through FFG, FAUBERT provided insurance and other financial services to approximately 225 clients. Between approximately January 2000 and April 2005, FAUBERT, represented to certain existing clients that he would guarantee them an 8% rate of return if the clients invested money in a fixed investment account controlled by him. As a result of FAUBERT's promises, 21 clients provided FAUBERT with approximately \$5,497,918. However, the fixed investment account did not exist, and FAUBERT deposited the monies directly into his business and personal accounts.

As part of the scheme, FAUBERT spent approximately \$4,452,230 for his own personal use and enjoyment, which included gambling, lavish vacations, and expensive cars. In order to lull the investors into believing that the investments were earning the promised rate of return, FAUBERT mailed false monthly financial statements to his clients.

"Crimes committed by registered investment advisors who victimize individuals hoping for a relatively modest return on their investments are particularly reprehensible," U.S. Attorney O'Connor stated. "We will argue for a strict sentence for this defendant, and will vigorously prosecute any broker who robs from trusting investors."

In addition, FAUBERT embezzled \$27,079 from FFG's retirement plan by falsely representing to two employees that the money had been withheld from their paychecks and

invested in the retirement plan. FAUBERT used the \$27,079 to cover personal expenses.

Finally, FAUBERT filed false income tax returns for the years 2000 through 2003 because he failed to report the funds he embezzled from the investment clients, resulting in a tax loss to the Government of \$946,155.

Judge Burns has scheduled sentencing for January 31, 2006, at which time FAUBERT faces up to 20 years of imprisonment and a fine of \$250,000 on each of the mail fraud counts, five years of imprisonment and a \$250,000 fine on the embezzlement from an employee pension fund count, and three years of imprisonment and a \$100,000 fine on each charge of filing false tax returns.

The case was investigated by Special Agents of the Federal Bureau of Investigation, Internal Revenue Service – Criminal Investigation Division and U.S. Department of Labor. The case is being prosecuted by Assistant United States Attorney Nora R. Dannehy.

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