



**United States Attorney's Office  
Eastern District of Michigan**

**Barbara L. McQuade  
United States Attorney**

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## **PRESS RELEASE**

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**FOR IMMEDIATE RELEASE  
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### **Former Michigan Investment Adviser Convicted on 14 Counts of Fraud for Stealing Client and Pension Plan Funds**

Anthony A. James, 43, of Parkland, Florida, formerly of Troy, Michigan, was convicted yesterday of seven counts of mail fraud, six counts of wire fraud, and one count of embezzlement from an employee benefit plan, announced Barbara L. McQuade, United States Attorney for the Eastern District of Michigan.

Ms. McQuade was joined in the announcement by Paul Baumann, Regional Director for the Employee Benefits Security Administration, and Special Agent in Charge Andrew Arena, Federal Bureau of Investigation.

After a four day jury trial in Detroit before United States District Court Judge Robert H. Cleland, a jury returned verdicts finding James guilty of all 14 counts contained in a previously filed indictment. The indictment charged that from 2001 through June 2009, James received over \$5,300,000 from over 40 investors, most of whom resided in Illinois, Florida, and Michigan. Among the investors, were the owners and employees of Advocate in Manpower Management, Inc. ("AIMM"), of Boca Raton, Florida, who wired money to James for investment in the AIMM, Inc., Simple Individual Retirement Account Plan. James represented to investors and pension plan participants that he would place their money in investments, including securities, bonds, and mutual funds for their benefit. Rather than invest the money as he represented, James used the money for his

own personal use which included purchasing two residences, buying several cars, and paying his living expenses. James spent approximately \$2,500,000 of victim investor money for his own personal use and approximately \$2,800,000 of victim investor money to pay back other prior investors, a manner characteristic of a "Ponzi scheme".

United States Attorney Barbara L. McQuade said, "Investors should pay close attention to the actions of their investment advisors to be sure that their money is invested as promised. Unscrupulous advisors sometimes do not follow through on investor expectations, and use the next person's money to pay previous investors. In this case, the jury saw through the defendant's fraudulent scheme."

"This criminal action demonstrates the Labor Department's resolve to vigorously enforce the law to ensure that those who steal from contributory employee benefit plans are brought to justice," said Paul Baumann, Regional Director of the Employee Benefits Security Administration's Cincinnati Regional Office. "We will aggressively investigate plan theft under the Contributory Plans Criminal Project which targets those who prey on participants and beneficiaries of these plans."

Special Agent Arena stated, "Today's swindlers artfully conceal their greed with sophisticated marketing and numerous misrepresentations. Investors and pension plan participants must remain diligent in following their money."

Mail and wire fraud carry a maximum penalty of 20 years imprisonment and a \$250,000 fine. Theft or embezzlement from an employee benefit plan carries a maximum penalty of five years imprisonment and a \$250,000 fine.

A sentencing date has been set for August 17<sup>th</sup> 2 pm before Judge Cleland.

United States Attorney McQuade thanked the Employee Benefit Security Administration and the FBI for their investigation of the case, and the Miami Regional Office of the Securities & Exchange Commission for its assistance. The case was prosecuted by Assistant United States Attorneys Paul Burakoff and Michael J. Riordan.

