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**INVESTMENT ADVISOR JOHN A. ORECCHIO CHARGED WITH ALLEGEDLY
EMBEZZLING \$24 MILLION FROM UNION PENSION FUNDS**

CHICAGO – The co-owner and president of a Chicago-based company that invested union pension funds was charged in an information filed by the United States Attorney’s Office with allegedly embezzling approximately \$24 million. The information alleges that, between approximately 2002 and September 2006, **John A. Orecchio** stole the funds while acting as the investment manager at his firm, AA Capital Partners, formerly located 10 S. LaSalle Street, Chicago, Illinois.

Orecchio, 43, formerly of Arlington Heights, was charged with one count of wire fraud and one count of embezzling funds owned by an employee pension benefit plan in an information that was filed yesterday and announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; James Vanderberg, Special Agent-in-Charge, Chicago Regional Office, U.S. Department of Labor, Office of Inspector General; and Steven L. Haugen, Regional Director, Chicago Regional Office, U.S. Department of Labor - Employee Benefits Security Administration.

According to the information, between approximately 2002 and September 13, 2006, Orecchio on behalf of AA Capital entered into investment management agreements with a number of union pension funds, principally located in Michigan. As a result, the union pension funds placed approximately \$169 million for investment with AA Capital, where Orecchio acted as their investment manager. After obtaining control of the union pension funds, Orecchio fraudulently caused AA Capital to make “capital calls” on accounts containing the union pension funds, knowing the funds that he was causing to be withdrawn were not going to be directed toward (i) investments; (ii) legitimate management fees; or (iii) overhead expenses attributable to the pension plan investors. Rather, Orecchio caused the capital calls to occur in order to obtain funds that he could convert for his own use and benefit, resulting in losses totaling approximately \$24 million.

If convicted, the wire fraud count carries a maximum penalty of 20 years in prison and a \$250,000 fine, or the Court may impose an alternative maximum fine totaling twice the loss or twice the gain, whichever is greater. The charge that Orecchio embezzled funds from an employee pension benefit plan carries a maximum penalty of 5 years in prison and a \$250,000 fine. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The government is being represented by Assistant United States Attorney Brian Hayes.

The public is reminded that an information contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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