



West Suburban Investment Adviser Charged with Allegedly Causing 10 Clients to Lose More Than \$4.26 Million in Fraud Scheme

McNabb Associates, P.C. (Federal Criminal Defense Lawyers)

Submitted at 8:41 AM December 30, 2011

The Federal Bureau of Investigation (FBI) on December 29, 2011 released the following:

“CHICAGO—A west suburban investment adviser allegedly engaged in an investment fraud scheme that swindled the retirement savings of some elderly clients and, overall, caused about 10 clients to lose more than \$4.26 million, federal law enforcement officials announced today. The defendant, Steven W. Salutric, was charged with one count of wire fraud in a criminal information filed today in U.S. District Court. Salutric allegedly diverted some of his clients’ funds to his personal business associates and to entities in which he had a financial interest, including restaurants, a movie production company, car dealerships, and real estate development projects, while using additional customer funds to make Ponzi-type payments to other clients.

Salutric, 53, of Carol Stream, was a founding principal of the former Results One Financial, LLC, a registered investment advisory firm located in Elmhurst, which had more than 1,000 clients and approximately \$160 million in assets under management. Salutric managed the funds of approximately 100 clients, mostly individuals and small businesses. He will be arraigned at a later date in U.S. District Court. The charges were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation. The U.S. Department of Labor’s Employee Benefits Security Administration and the Securities and Exchange Commission also assisted with the investigation.

According to the charges, Salutric schemed to defraud clients of Results One between December 2002 and January 2010 by fraudulently obtaining their funds that were held in customer accounts at Charles Schwab & Co, Inc., which served as the custodian of client assets. Salutric had discretionary authority to trade in the

clients’ accounts, typically involving the relatively low-risk purchase and sale of mutual fund shares. Instead, Salutric fraudulently withdrew clients’ funds without their knowledge or permission, and he fraudulently placed clients’ money in high-risk alternative investments without their knowledge or permission, the charges allege.

Salutric allegedly fraudulently obtained more than \$3 million from clients by preparing, forging clients’ signatures on, and faxing documents that falsely represented to Schwab that the clients wished to transfer funds from their Schwab accounts to bank accounts held by Salutric’s personal business associates and entities in which he had a financial interest. Salutric allegedly used at least a portion of the clients’ funds to make Ponzi-type deposits to other clients’ accounts to conceal and prolong the scheme.

In one instance, Salutric allegedly fraudulently transferred approximately \$1 million from a single client to himself and various entities, including restaurants, a movie production company, car dealerships, and real estate development projects, in which he had a financial interest. In other instances, Salutric allegedly lulled his clients by making false assurances, including telling one victim that his funds were invested in a union pension plan yielding a 15 percent return, telling another that his funds were invested in AT&T bonds providing an eight percent return, and telling yet another that his funds were placed in a certificate of deposit, when he knew that he had diverted funds from each victim for his personal benefit. As a result of the scheme, about 10 clients suffered losses totaling at least \$4,261,818, the charges allege.

The government is being represented by Assistant U.S. Attorney Tyler Murray.

Wire fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, and restitution is mandatory. The court may also impose a fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. If convicted, the court must impose a reasonable sentence under sentencing

statutes and the advisory United States Sentencing Guidelines.

The investigation falls under the umbrella of the Financial Fraud Enforcement Task Force, which includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit: www.StopFraud.gov.

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.”

Douglas McNabb – McNabb Associates, P.C.’s

Federal Criminal Defense Attorneys
Videos:

[Federal Crimes – Be Careful](#)
[Federal Crimes – Be Proactive](#)
[Federal Crimes – Federal Indictment](#)
[Federal Crimes – Detention Hearing](#)

To find additional federal criminal news, please read [Federal Crimes Watch Daily](#). Douglas McNabb and other members of the U.S. law firm practice and write and/or report extensively on matters involving Federal Criminal Defense, INTERPOL Red Notice Removal, International Extradition and OFAC SDN Sanctions Removal.

The author of this blog is Douglas McNabb. Please feel free to contact him directly at mcnabb@mcnabbassociates.com or at one of the offices listed above.



Justice Department Settles Allegations of Citizenship Status Discrimination and Retaliation Against Georgia Rug Manufacturer

(USDOJ: Justice News)

Submitted at 10:28 AM December 30, 2011

The Justice Department announced a settlement today with Garland Sales Inc., a Georgia rug manufacturer, resolving allegations that it engaged in discrimination by imposing unnecessary documentary requirements on individuals of Hispanic origin when establishing their eligibility to work in the United States, and that it retaliated against a worker for protesting his discriminatory treatment.