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JUSTICE NEWS**Department of Justice**

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Department of Justice Recovers More Than \$40 Million in Fraud Proceeds from Foreign Ponzi Scheme

The Department of Justice has recovered more than \$40.2 million in fraud proceeds from a \$1 billion Ponzi scheme and is working with the Japanese Ministry of Justice to return the forfeited fraud proceeds to the victims in Japan, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division.

Isamu Kuroiwa, a Japanese citizen, operated World Ocean Farm between February 2005 and until his escape from Japan in May 2007. According to court documents, World Ocean Farm, an unlicensed investment opportunity, was a large Ponzi scheme. Kuroiwa defrauded more than 30,000 Japanese victims out of almost ¥91 billion, or approximately \$1 billion U.S. dollars.

Kuroiwa and his accomplices were arrested, prosecuted and convicted in Japan on charges of organized fraud. The \$40 million forfeited in this case was laundered by Kuroiwa through several Japanese and U.S. financial institutions to a broker in the United States for investment in a "high yield" investment. The FBI identified the high yield scheme as a fraud and seized the funds.

On March 12, 2010, U.S. District Court Judge Paul L. Friedman for the District of Columbia granted a motion for forfeiture filed by the Criminal Division's Asset Forfeiture and Money Laundering Section. The judgment became final on May 12, 2010, which clears the way for the department to return the funds for the benefit of the victims of this massive fraud. Individuals who believe that they may be victims of the World Ocean Farm fraud are encouraged to contact the Japanese Bankruptcy Administrator as soon as possible for more information about how to file a claim: <http://homepage3.nifty.com/wof-kanzai/>.

"This case once again demonstrates our commitment to aiding our foreign law enforcement partners in recovering the proceeds of fraud and returning funds to victims," said Assistant Attorney General Breuer.

"We appreciate the great effort of the United States to help the victims of this case," said Masaki Wada, Director of International Affairs Division, Criminal Affairs Bureau, Ministry of Justice of Japan. "We continue to cooperate with the United States as much as possible in order to maximize the benefit to the victims of Japan."

World Ocean Farm promised its victims a 100 percent annual return on their money. Kuroiwa claimed to operate profitable shrimp farms in the Philippines that sold shrimp throughout Asia. According to court documents, World Ocean Farm actually leased a few ponds to give the company the appearance of legitimacy, raised almost no shrimp, and all of its sales were confined to the Philippines and were at a loss. In fact, when a group of investors from Japan visited the shrimp farms, they were unknowingly fed shrimp purchased at a local market because the ponds could not produce enough shrimp to feed them.

According to court documents, in addition to the shrimp farm investments, investors were also told that World Ocean Farm invested in high-yield investments in the United States. Investors were promised that their money would double every year as a result of the shrimp and other investments.

Rather than investing the money as promised, World Ocean Farm allowed its shrimp farm leases to expire, and Kuroiwa and others used the money to fund a lavish gambling trip to Las Vegas, among other things. The Japanese investigation discovered that other money was disbursed in a variety of ways, including Ponzi payments to victims, lost to another fraud scheme in Japan, embezzled from World Ocean Farm, lost on stock trading, lost on foreign currency trading and through extortion from organized crime.

The Department of Justice is working with the Japanese Ministry of Justice and the Japanese Bankruptcy Administrator to ensure that the money will be returned to the victims of the crime under the Attorney General's remission authority and in accordance with Japanese law. The department worked closely with the Japanese Ministry of Justice to exchange information regarding the underlying fraud and obtain legal assistance to support the U.S. forfeiture action.

The case is being prosecuted by Deputy Chief Linda M. Samuel of the Criminal Division's Asset Forfeiture and Money Laundering Section. Additional assistance was provided by Attorney Blair Berman of the Criminal Division's Office of International Affairs. The case was investigated by the FBI's Los Angeles Field Office, in cooperation with Japanese law enforcement.

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Criminal Division