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News Release

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Man pleads guilty to orchestrating \$190 million Ponzi scheme

MINNEAPOLIS – A 37-year-old Apple Valley man pleaded guilty today in federal court in Minneapolis to orchestrating a \$190 million Ponzi scheme. Appearing before U.S. District Court Judge James M. Rosenbaum, Trevor Gilson Cook pled guilty to one count of mail fraud and one count of tax evasion in connection to his crime. Cook was charged on March 30, 2010.

In his plea agreement, Cook admitted that from January 2007 through July 2009 he, aided and abetted by others, schemed to defraud no fewer than 1,000 people out of approximately \$190 million by purportedly selling investments in a foreign currency trading program. In reality, however, he diverted a substantial portion of the money provided him for other purposes, including making payments to previous investors; providing funds to Crown Forex, SA, in an effort to deceive Swiss banking regulators; purchasing ownership interest in two trading firms; buying a real estate development in Panama; paying personal expenses, including substantial gambling debts; and acquiring the Van Dusen Mansion in Minneapolis.

To carry out his scheme, Cook caused false statements to be made to potential investors, including promises that the investment program would generate annual returns of ten to twelve percent, and that trading would present little or no risk to investors' principal. He also caused material information to be withheld from investors, such as the precarious financial position of Crown Forex, SA, in Switzerland, an entity through which he traded. In addition, he withheld the fact that trading at PFG in Chicago generated losses in excess of \$35 million between July 1, 2006, and August 31, 2009.

In furtherance of the scheme, Cook caused an account to be opened in the name of Crown Forex, LLC, at Associated Bank, which he used for depositing investor funds that he subsequently diverted for his personal use as well as the personal use of others. He also caused statements to be sent to investors that misrepresented the status of their investments. In addition,

he caused due-diligence letters to be prepared that falsely represented Oxford Global Advisors as having more than \$4 billion in assets under management, and that all accounts were liquid.

Specific to the charges, Cook admitted that on January 29, 2009, he caused a \$50,000 check to be sent through the U.S. mail from Arizona to Minnesota for investment in his foreign currency trading program. He also admitted that on April 15, 2009, he filed a false and fraudulent U.S. Individual Income Tax Return, Form 1040, for calendar year 2008, by failing to report taxable income of at least \$5,285,719, upon which there was tax due in the amount of at least \$1,844,571.

For his crimes, Cook faces a potential maximum penalty of 20 years in federal prison on the mail fraud charge and five years on the tax evasion charge. Judge Rosenbaum will determine his sentence at a future date, yet to be scheduled.

This case is the result of an investigation by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation Division, with the assistance and support of the U.S. Securities Exchange Commission and the U.S. Commodity Futures Trading Commission. It is being prosecuted by Assistant U.S. Attorney Frank J. Magill.

This law enforcement action is in part sponsored by the interagency Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. It 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, 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.