



*United States Attorney
Southern District of New York*

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**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**UNITED STATES RETURNS \$16.5 MILLION FROM CIVIL
FORFEITURE ACTION TO FRAUD VICTIMS IN POLAND**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that nearly \$16.5 million has been remitted to a court-appointed receiver in Poland to be distributed to the victims of a scheme that defrauded Polish investors. The money was obtained through a civil forfeiture action filed by the United States Government in Manhattan federal court to recover the proceeds of the scheme. This case marks the first time the United States Government has returned fraud proceeds to victims in Poland.

The forfeiture action arose from the investigation of two entities in Poland -- WGI Dom Maklerski ("WGI DM") and WGI Consulting S.P. Z.O.O. ("WGI Consulting") -- for their roles in a scheme to defraud investors in Poland. Among other things, WGI DM sent false statements to its clients that inflated the value of their investments. WGI DM also forged documents, including bank statements, in furtherance of the scheme. The Polish Securities and Exchange Commission ("PSEC") revoked WGI DM's license and directed it to repay portfolio balances within 60 days to clients who requested a refund. A total of 700 clients requested a refund, but none received any money.

The PSEC also referred the matter for criminal prosecution. Three WGI DM board members were indicted in Poland in 2006 and their case is still pending.

The PSEC and Polish law enforcement authorities discovered that WGI DM had transferred at least \$25 million in its clients' portfolios to a brokerage account in the name of WGI Consulting at Wachovia Securities New York. The Polish Government, working with the Federal Bureau of Investigation ("FBI") in Poland, sought the assistance of the United States Attorney's Office in locating and recovering the fraud proceeds

and returning them to victims. The Wachovia brokerage account was subject to seizure under U.S. law because its contents contained property involved in actual or attempted money laundering transactions and property derived from securities and wire fraud. Accordingly, the Government obtained a civil seizure warrant for the Wachovia brokerage account, which, after allowing Wachovia's contractual right to set off \$10 million to repay what WGI Consulting owed Wachovia in its margin account, was worth at that time approximately \$7 million. The Government then filed a civil complaint against the contents of the account. When the Court granted the Government's motion for a default judgment on February 27, 2008, the value of the Wachovia brokerage account had grown to nearly \$16.5 million.

A petition for remission filed by LECHOSLAW KOCHANSKI -- appointed by the Polish Court as the receiver in bankruptcy and redress matters relating to WGI Consulting -- has been granted by the Asset Forfeiture Money Laundering Section of the Department of Justice on behalf of nearly 1000 investors defrauded by the WGI entities. All proceeds recovered will be distributed to victims on a pro rata basis, according to their losses.

This morning (Warsaw time) the receiver took possession of a U.S. Treasury check in the amount of \$16,468,666.33 on behalf of the fraud victims. The funds will be formally presented at a press conference in Warsaw at a later date.

Mr. GARCIA praised the investigative work of the FBI Office at Embassy Warsaw, and thanked the PSEC for its assistance in this case.

The matter is being handled by the Asset Forfeiture Unit of the United States Attorney's Office. Assistant United States Attorneys SEETHA RAMACHANDRAN and SHARON COHEN LEVIN are in charge of the prosecution.

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