



NEWS RELEASE

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Thomas P. O'Brien

United States Attorney
Central District of California

Thom Mrozek, Public Affairs Officer
(213) 894-6947
thom.mrozek@usdoj.gov
www.usdoj.gov/usao/cac

ORANGE COUNTY MAN PLEADS GUILTY IN \$15 MILLION PONZI SCHEME AND ADMITS BRIBE PAYMENT IN SCHEME TO FLEE U.S.

LOS ANGELES – An Orange County man pleaded guilty today to federal fraud charges related to a long-running Ponzi scheme in which he collected more than \$15 million from investors with bogus promises of annual returns as high as 18 percent.

John Anthony Miller, 51, of San Clemente, pleaded guilty today to mail fraud in relation to the Ponzi scheme, as well as bribery, passport fraud and identity fraud charges resulting from his attempt to procure a fraudulent passport and flee the country after his scheme collapsed.

From 2000 through November 2008, Miller operated a Ponzi scheme through his Newport Beach-based investment companies, JAM Jr. Enterprises and Forte Financial Partners. Miller promised investors “guaranteed” annual returns of between 10 percent and 18 percent per year, telling investors that their money would be invested in foreign currency trading, oil wells, real estate and other vehicles. During the course of the scheme, Miller provideD investors with monthly account statements that falsely represented they were earning the promised returns. In fact, Miller had never earned any real profits from his investment activity and, in the pattern of a typical Ponzi scheme, used money from some investors to make Ponzi payments to other investors.

Over the course of his scheme, Miller defrauded more than 200 people out of more than \$15 million, taking millions of dollars that his victims has initially

invested in IRA retirement savings accounts.

The mail fraud charge is the result of a September 26, 2008 letter that Miller sent to investors, in which he falsely stated that investments made with him were performing well despite the economic downturn, and that his companies had more than \$150 million in assets and only approximately \$30 million in liabilities. In reality, at that point Miller and his investment companies were nearly out of money, his fraud scheme was collapsing, and he was considering fleeing the country.

Miller was taken into custody in November 2008 as he was preparing to leave the United States. The month before, Miller told a former associate that he wanted to obtain a fraudulent United States passport under a false name that he could use to flee the country. Miller and the former associate discussed the countries that they thought would be best to flee to, including those that did not have extradition treaties with the United States. On November 12, during a meeting at the Federal Building in Westwood with an undercover State Department agent whom Miller believed was a corrupt passport officer, Miller paid a \$5,000 bribe to secure a bogus passport that was to be in the name of a former high school classmate who had recently died. The \$5,000 came from money collected during his fraud scheme. After Miller completed the fraudulent passport application in the name of his deceased high school classmate and handed the undercover agent \$5,000 in cash, he was arrested by agents of the Federal Bureau of Investigation.

Miller is scheduled to be sentenced by United States District Judge Christina A. Snyder on July 20. As a result of his guilty pleas to the four charges, Miller faces a statutory maximum sentence of 47 years in federal prison.

This case was investigated by the Federal Bureau of Investigation and the United States Department of State.

CONTACT: Assistant United States Attorney Douglas A. Axel
Chief, Major Frauds Section
(213) 894-0689