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FOR IMMEDIATE RELEASE
THURSDAY OCTOBER 29, 2009
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**WEST SUBURBAN MAN CHARGED WITH DEFRAUDING 60
INVESTORS OF \$28 MILLION IN ALLEGED “PONZI” SCHEME**

CHICAGO – A west suburban man is facing federal fraud charges for allegedly luring at least 60 victims to invest approximately \$28 million in a business that he falsely represented purchased used high-speed commercial printers that were re-sold for a substantial profit and using the money instead to make “Ponzi-type” payments to earlier investors. The defendant, **Matthew Scott**, was charged with mail fraud in a criminal information filed today, announced 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.

Scott, 50, of Elmhurst, was president and sole owner of a printer repair company known as Gelsco, Inc., located in Northlake. Between early 2000 and March 2009, he allegedly fraudulently obtained at least \$28 million from at least 60 investors, and caused a loss of at least \$4.5 million, according to the charges.

Scott will be arraigned in U.S. District Court on a date yet to be determined.

The charges allege that Scott falsely told investors that their funds would be used to purchase, or finance the purchase of, printers that had a value of more than \$100,000, which would

be sold to third-parties. He allegedly further told investors that there were specific buyers and sellers of printers, when, in fact, he and Gelsco did not purchase or finance such printers. Instead, Scott allegedly fabricated false purchase orders, invoices, promissory notes and other documents that he provided to investors.

As part of the scheme, Scott falsely told investors that Gelsco increased the cost of the printers approximately 20 percent and earned substantial profits, usually within 90 days or less, which he promised to split with the investors, the charges allege.

Throughout the duration of the alleged scheme, Scott had to continually raise funds from investors to make payments to earlier investors, all of which he concealed and intentionally failed to disclose to new and old investors alike. In May 2008, Scott obtained a \$300,000 bank loan by falsely representing that the loan would be secured by a printer that was being sold to a third party, and by providing fraudulent documents as proof of the purported sale, according to the charges.

The government is being represented by Assistant U.S. Attorney Jacqueline Stern.

If convicted of mail fraud, a defendant could receive a maximum penalty of 20 years in prison and a maximum fine of \$250,000, or the Court may impose a fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that 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.

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