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**TWO PRINCIPALS OF COLLAPSED FOREIGN CURRENCY TRADING FIRM
SENTENCED TO FEDERAL PRISON FOR \$17 MILLION FRAUD SCHEME**

CHICAGO — Two principals of a foreign currency trading firm that collapsed in 2007 were sentenced to 17 years and 12½ years in federal prison, respectively, after pleading guilty to fraud charges for operating a Ponzi-type scheme that diverted millions of dollars to themselves to finance lavish lifestyles and that caused more than 1,000 victim investors worldwide to lose nearly \$17 million. **Charles G. Martin**, 46, formerly of Glencoe, Ill., and Malibu, Calif., was sentenced today to 204 months, while **John E. Walsh**, 63, of Lake Forest, Ill., was sentenced yesterday to 150 months in prison. Both men were arrested and charged in January 2009 and subsequently cooperated with the government and pleaded guilty in May 2011 to wire and commodities fraud and tax evasion counts. The sentences were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago.

The sentences were imposed by U.S. District Judge Virginia Kendall, who also ordered mandatory restitution of \$16,976,554, jointly and severally, against both defendants. The judge also

granted a forfeiture judgment against Walsh for \$10 million and indicated that she will enter a similar order against Martin. The government has so far recovered in excess of \$1 million from the liquidated proceeds of the defendants' seized assets and personal property, as well as from bank accounts, safety deposit boxes, and third-party recipients of fraudulently-obtained funds.

Walsh was ordered to begin serving his sentence on March 28 and Martin on March 29.

Martin and Walsh were principals of One World Capital Group, LLC, which was formed in 2005, and was based in Winnetka, Ill., with an office in New York. In December 2007, the Commodity Futures Trading Commission obtained a court order prohibiting further trading activity and freezing the firm's remaining assets, which totaled \$677,932. At the same time, One World had approximately \$17,654,486 in unpaid customer liabilities. The CFTC and the National Futures Association assisted in the investigation.

According to the court documents, Martin acted as a principal of One World, even though he was prohibited from holding such a position with a National Futures Association member, and Walsh served as the president and primary manager of the trading firm. They marketed over the counter foreign currency ("forex") trading services in which they were to serve as the customers' counterparty. In reality, however, One World's trading platform operated as a front to placate customers whose margin funds were being systematically misappropriated by them. They concealed the misappropriation from customers, as well as government and industry regulators, by making false representations. For example, they solicited new customers without telling them that the value of their investments with One World would be immediately diminished upon deposit due to a shortfall in One World's customer trading account.

The defendants used customer funds they misappropriated to finance extravagant lifestyles. Credit card and bank records show that Martin spent more than \$1 million at a strip club and restaurants, nearly \$1 million at elite hotels and another \$1 million renting flight time on private jets. He purchased a fleet of luxury vehicles, donated hundreds of thousands of dollars to celebrity charity events, and hired personal security guards to accompany him in public. Similarly, Walsh used his One World credit card to charge personal expenses, including more than \$140,000 of jewelry. He also used \$70,000 in One World funds for country club expenses and \$1,425,000 to purchase a second home in Lake Forest.

In January 2009, federal agents searched Martin's residence on Sheridan Road in Glencoe and Walsh's residence on Wharton Drive in Lake Forest, and seized dozens of items from Martin, including fine watches and jewelry, antique furniture, oriental rugs, a piano, artwork, and various high-end electronics. From Walsh, agents seized jewelry, cash proceeds from the sale of his former residence on Salisbury Lane in Lake Forest and a BMW that he transferred to his son.

In addition to the luxury items they lavished upon themselves, bank records showed that Martin and Walsh spent significant amounts of funds diverted from One World to help finance the production of a motion picture that had listed Martin as a contributing producer. In 2007, bank records show that Martin and Walsh spent more than \$500,000 on the movie.

The government is being represented by Assistant U.S. Attorney Joel Hammerman.

The case falls under the umbrella of the Financial Fraud Enforcement Task Force, which 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, to 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. For more information on the task force, visit: www.StopFraud.gov.

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