



U. S. Department of Justice



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**TWO CHICAGO AREA DEFENDANTS CHARGED WITH
COMMODITIES FRAUD IN SEPARATE FEDERAL CRIMINAL CASES**

CHICAGO — Two defendants were charged with commodities fraud in unrelated cases, federal law enforcement officials announced today. In one case, an investment firm officer was charged with defrauding customers of approximately \$2.5 million. In the other case, a former clerk for a lean hogs futures trader was arrested today and charged with manipulating trades to generate a profit of more than \$225,000 for herself.

Joshua T. J. Russo, 30, of Chicago, a former vice president of alternative investments for Olympus Futures, Inc. (previously Peak Trading Group), was charged with a single count of commodities fraud in a criminal information filed today. In a separate case, **Nicole M. Graziano**, 32, of Roselle, a former trading clerk, was charged with four counts of commodities fraud in an indictment returned yesterday by a federal grand jury.

Graziano was arrested this morning and later released on a \$10,000 unsecured bond after pleading not guilty before U.S. District Judge James Zagel. Russo was not arrested and will be arraigned at later date in Federal Court.

The charges were announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois, and William C. Monroe, Acting Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

Each count of commodities fraud carries a maximum penalty of 10 years in prison and a \$1 million fine, and restitution is mandatory. If convicted, the Court must impose a reasonable sentence under federal sentencing statutes and the advisory United States Sentencing Guidelines.

The government is being represented in both cases by Assistant U.S. Attorney Christopher McFadden.

The investigation 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.

An indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

Details of each case follows:

United States. V. Russo, 12 CR 836

Between March 2007 and April 2011, Russo fraudulently obtained approximately \$2.5 million from at least six investors and caused losses of more than \$1.3 million, including approximately \$208,000 in commissions for himself that he spent on gambling, vacations, clothing, theater tickets, meals, and entertainment, the charges allege. Russo obtained the funds by misrepresenting to investors that their funds would be used to purchase various investments, including shares of the Peak Performance Fund, which he knew had never accepted individual investors and no money was ever invested with the fund. Russo allegedly made false statements about his prior performance investing in commodity futures, the level of risk, the existence and trading performance of the Peak Performance Fund, and the uses of the funds he obtained from investors. He concealed the fraud by creating and distributing false emails, spreadsheets, statements, and audit reports, the charges allege.

Instead of investing the funds as he purported, Russo misappropriated the money to make speculative trades — and regularly lost money — in various commodity futures, including energy sources, precious metals, agriculture products, foreign currencies, and stock indices. After providing one investor with false information about positive returns, Russo successfully encouraged that investor to refer friends and relatives to open accounts through him, resulting in additional victims.

The Commodity Futures Trading Commission and the National Futures Association assisted in the investigation.

United States. V. Graziano, 12 CR 834

Between September 2009 and August 2010, Graziano, who was a clerk for a floor trader at the Chicago Mercantile Exchange, now CME Group, secretly inserted trade cards for her own personal orders into the decks of trade cards submitted by public customers that she provided to floor traders to execute during the opening and closing brackets of trading in lean hogs futures contracts, the charges allege. She then fraudulently allocated lower purchase prices to her buy orders, and higher prices to her sell orders, to the detriment of public customers, according to the indictment. Graziano allegedly submitted at least 104 fraudulent trade cards to the appropriate clearing firms, resulting in illegal profits to her of \$13,390 during the opening bracket, and \$213,680 during the closing bracket.

The CME Group assisted in the investigation.

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