



**U.S. Department of Justice**

United States Attorney  
Northern District of Illinois

---

Patrick J. Fitzgerald  
United States Attorney

327 South Church Street, Suite 3300  
Rockford, Illinois 61101

FOR IMMEDIATE RELEASE  
FRIDAY, JANUARY 20, 2011  
[www.justice.gov/usao/iln](http://www.justice.gov/usao/iln)

PRESS CONTACT:  
AUSA Michael D. Love (815) 987-4444

**FORMER SUGAR GROVE MAN SENTENCED TO 63 MONTHS IN FEDERAL PRISON  
FOR MAIL FRAUD IN OPERATING A \$9 MILLION "PONZI" SCHEME**

ROCKFORD — An Aurora, Ill. man was sentenced today by U.S. District Judge Frederick J. Kapala to 63 months in federal prison for mail fraud involving his operation of a "Ponzi" scheme, in which he fraudulently obtained money from a number of investors who were promised extraordinary returns from his company, Financial Update, Inc. ALGIRD M. NORKUS, 67, of Aurora, formerly of Sugar Grove, Ill., was also ordered to serve three years of supervised release following his release from prison, and to pay restitution of \$4,560,975.40.

A Ponzi scheme is an investment fraud that involves the payment of purported returns to existing investors from funds contributed by new investors. Norkus, who pled guilty to the charges on Mar. 10, 2011, admitted in his written plea agreement that he sold approximately \$9,000,000 of investments in Financial Update, misrepresenting to investors and potential investors that the funds invested would be used by Financial Update to purchase lists of prospective customers. Norkus issued documents such as promissory agreements to investors to evidence the investments. However, beginning in 1998 Norkus did not intend to purchase lists of prospective customers, but instead commingled the investment monies he received and at times misappropriated them, in part to make Ponzi-type payments to investors and also to benefit himself. Norkus admitted he misrepresented to investors the expected return, the risks associated, the status of investments, and the use of proceeds obtained from investments. For example, Norkus falsely represented to

investors that Financial Update earned so much from the use of the lists that it could afford to pay interest on invested money at a rate much higher than could be obtained from many other types of investments.

Norkus further admitted that he provided checks to certain investors to lull them into believing that the money earned on the investments was used to pay interest on the investments. Norkus also annually provided investors with false Internal Revenue Service Form 1099-INT reports of interest income. In particular, Norkus admitted that in approximately January 2010, he mailed, or had another person mail, an IRS Form 1099-INT to an investor's home address in Rockton, Ill.

The investigation was conducted under the auspices 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](http://www.StopFraud.gov)

The sentencing was announced by 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 Federal Bureau of Investigation. The United States Securities and Exchange Commission assisted in the investigation.

The government was represented by Assistant U.S. Attorney Michael D. Love.

#####