



*United States Attorney
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**PRIVATE BANKER ARRESTED IN ARGENTINA ON CHARGES FOR
EMBEZZLING MORE THAN \$5 MILLION FROM BANK CLIENTS**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, the Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), announced the arrest of HERNAN ARBIZU in Argentina, and the unsealing of a fifteen-count Indictment against ARBIZU for the embezzlement of more than \$5 million dollars from the accounts of bank customers at UBS AG ("UBS") and JPMorgan Chase Bank, N.A. ("JPMorgan"). ARBIZU, 41, was arrested yesterday, in Buenos Aires, Argentina in connection with the charges filed in Manhattan Federal Court. According to the Complaint filed in May 2008 and the Indictment unsealed yesterday:

ARBIZU was employed as a Vice President in the private banking division of JPMorgan, and in that position was responsible for developing and maintaining private banking relationships with customers located in Latin America.

Between March 2007 and April 2008, while serving as Vice President at JPMorgan, ARBIZU initiated, or caused to be initiated, twelve wire transfers from private banking clients at UBS and JPMorgan Chase Bank, N.A. totaling \$5,379,500.

Four of the twelve unauthorized transfers, totaling \$2,797,500 were made from a JPMorgan account on April 15, 2008. ARBIZU accomplished these transfers by forging a letter purporting to authorize the wire transfers on behalf of the bank client.

The Indictment charges ARBIZU with a total of fifteen counts: twelve counts of wire fraud for each of the twelve unauthorized transfers; one count of embezzlement by a bank employee; one count of bank fraud; and one count of aggravated identity theft for using the identities of bank customers to effect the unauthorized funds transfers. Finally, the Indictment contains forfeiture allegations, which seek the forfeiture of \$5,379,500, constituting the proceeds obtained from the offenses charged in the Indictment.

If convicted, ARBIZU faces on each of the wire fraud, embezzlement by a bank employee, and bank fraud counts a maximum sentence of 30 years in prison, and a fine of the greatest of \$1,000,000, or twice the gross gain or loss resulting from the offense. If convicted of aggravated identity theft, ARBIZU faces a statutory mandatory minimum two-year's imprisonment.

ARBIZU is currently being held by Argentine authorities, pending extradition.

Mr. GARCIA thanked the FBI for its work in the investigation of this matter.

Assistant United States Attorney NICK LEWIN is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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