



Department of Justice

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District of Massachusetts

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WAKEFIELD INVESTMENT ADVISER INDICTED FOR FRAUD

BOSTON, MA - A Wakefield man has been indicted in federal court on charges of investment advisor and mail fraud.

United States Attorney Michael J. Sullivan and Warren T. Bamford, Special Agent in Charge of the Federal Bureau of Investigation in New England, announced today that FRANK J. RUSSO, 51, of 12 Evangelista Way, Wakefield, was charged in an indictment with one count of investment adviser fraud and nineteen counts of mail fraud.

The indictment alleges that during the period 1982 through 2006, RUSSO managed two limited partnership investment vehicles, Russo Associates and Eliot Partners. According to the indictment, RUSSO represented to investors who entrusted funds with him that investors could always expect "above average" positive returns with no negative "periods" and that their investments would be safe. It is alleged that in fact, RUSSO did not invest his victims' money as promised and lost more than \$20 million in investor funds. It is alleged that to conceal the losses and his misrepresentations, and to lull victims into further investments, RUSSO generated false accounting statements that reflected inflated balances and gains that did not exist. According to the indictment more than 250 individuals were victims of RUSSO's scheme.

The indictment also seeks the criminal forfeiture of at least \$20 million and RUSSO's Wakefield residence.

If convicted, RUSSO faces up to twenty years imprisonment, to be followed by three years of supervised release, and a \$250,000 fine.

The case was investigated by the Federal Bureau of Investigation. It is being prosecuted by Assistant U.S. Attorney Lori J. Holik in Sullivan's Economic Crimes Unit.

The details contained in the indictment are allegations. The defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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