



**U.S. Department of Justice**

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**ROCKFORD MAN CHARGED IN \$4 MILLION PONZI SCHEME**

Rockford — a Rockford man was indicted today by a federal grand jury for allegedly operating a “Ponzi” type scheme in which he defrauded investors out of more than \$4 million. The defendant, James Pantazelos, 61, of Rockford, was charged with six counts of mail fraud and four counts of wire fraud. The fraud allegedly occurred from May 2007 through December 2010.

According to the indictment, Pantazelos was the owner and CEO of an entity known as Destiny’s Partners, Inc. The indictment states that Pantazelos and his associates invited individuals to attend conferences to learn about investment opportunities with Destiny’s Partners. These conferences were held at various locations in the United States, including Milwaukee, Dallas, and San Diego. Pantazelos and his associates allegedly told the potential investors that Destiny’s Partners placed its investors’ funds in “Private Investment Trading Platforms” which traded bank notes in foreign markets. Pantazelos claimed that Destiny’s Partners donated a substantial portion of its profits to charitable and humanitarian causes. In addition, the indictment charges that Pantazelos promised the investors that their funds would be safe because the investments would be deposited into and kept in an escrow account. It is further alleged that Pantazelos offered the investors a variety of investment “options,” for periods ranging from 90 to 365 days, and promised returns of up to 200%.

The indictment charges that Pantazelos used a substantial amount of the investors' funds to pay for his own personal expenses, including purchasing homes for himself and a family member, remodeling a family member's home, purchasing expensive automobiles for himself and family members, and attempting to open a restaurant that was to be known as "Jimmy P's." It is also alleged that Pantazelos used some of the funds received by Destiny's Partners from newer investors to make *Ponzi*-type payments to some of the prior investors, deceiving these investors into believing that their investments had been successful. According to the indictment, Pantazelos then used these prior investors who received *Ponzi*-type payments to recruit additional investors for Destiny's Partners.

The indictment alleges that when the investment terms expired, Pantazelos failed to pay the investors the promised rates of return and failed to return their principal to them. In order to conceal his fraud, Pantazelos made false statements to the investors about why he could not pay them, such as that the United States government had frozen funds coming in to Destiny's Partners from foreign countries. According to the indictment, Pantazelos knew these excuses were false and that the reason he could not repay the investors was that he had spent the majority of their funds on his own personal expenses and making *Ponzi*-type payments to other investors.

Each count of mail fraud and wire fraud carries a maximum penalty of 20 years in prison, and a \$250,000 maximum fine, or an alternate fine totaling twice the loss or twice the gain, whichever is greater. If convicted, the Court must impose a reasonable sentence under the advisory United States Sentencing Guidelines.

The Financial Fraud Enforcement Task Force 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 indictment was announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Thomas P. Brady, Postal Inspector-in-Charge of the Chicago Division of the United States Postal Inspection Service; Steve Haugen - Director for the Chicago Region of the U.S. Department of Labor - Employee Benefits Security Administration; and, Jesse White, Illinois Secretary of State.

The government is represented by Assistant U.S. Attorney Scott A. Verseman.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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