

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, July 8, 2015

Investment Company Executives Indicted for \$1.5 Billion Ponzi Scheme

The president and chief executive officer and two former Asia-based executives of a Las Vegas investment company were indicted today for their roles in an alleged \$1.5 billion Ponzi scheme.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Daniel G. Bogden of the District of Nevada and Special Agent in Charge Laura A. Bucheit of the FBI's Las Vegas Division made the announcement.

"The defendants allegedly preyed on thousands of unsuspecting Japanese victims to enrich themselves by operating a billion-plus dollar Ponzi scheme," said Assistant Attorney General Caldwell. "This prosecution shows that the Criminal Division will pursue not only those who victimize American citizens, but also those who use the U.S. as a home base to defraud victims abroad."

"Investment fraud and other financial fraud cases are a high priority for the U.S. Attorney's Office in Nevada," said U.S. Attorney Bogden. "These defendants are accused of using a Nevada corporation to conduct their \$1.5 billion fraud scheme and falsely telling thousands of overseas victims that their investments would be safely held and managed by an independent, third-party escrow agent in Nevada. Fraudulent ruses and schemes perpetrated by Nevadans using Nevada corporations and entities will continue to be addressed by this office."

"These indictments are a reminder of the FBI's determination to identify, investigate and bring to justice those who are committing financial crimes against innocent consumers," said Special Agent in Charge Bucheit. "We are appreciative of the continued support we receive from our international, federal, state and local law enforcement partners."

Edwin Fujinaga, 68, of Las Vegas; Junzo Suzuki, 66, of Tokyo; and Paul Suzuki, 36, of Tokyo, were charged in an indictment with eight counts of mail fraud and nine counts of wire fraud. Fujinaga also is charged with three counts of money laundering. The indictment seeks from all three defendants forfeiture of the proceeds from the alleged crimes.

Fujinaga was the president and CEO of Las Vegas-based MRI International Inc. (MRI). Junzo Suzuki previously was MRI's executive vice president for Asia Pacific, and Paul Suzuki previously was the company's general manager for Japan operations. MRI purportedly specialized in "factoring," whereby the company purchased accounts receivable from medical providers at a discount, and then attempted to recover the entire amount, or at least more than the discounted amount, from the debtor.

According to allegations in the indictment, from at least 2009 to 2013, Fujinaga and the Suzukis fraudulently solicited investments from thousands of Japanese residents, and MRI currently owes investors over \$1.5 billion. Specifically, the indictment alleges that Fujinaga and the Suzukis promised investors a series of

interest payments that would accrue over the life of the investment and that would be paid out along with the face value of the investment at the conclusion of the investments' duration. The defendants allegedly solicited investments by, among other things, promising investors that their investments would be used only for the purchase of medical accounts receivable (MARS) and by representing that investors funds would be managed and safeguarded by an independent third-party escrow company.

The indictment further alleges that MRI operated as a Ponzi scheme, wherein the defendants used new investors' money to pay prior investors' maturing investments. According to the indictment, the defendants also allegedly used investors' funds for purposes other than the purchase of MARS, including paying themselves sales commissions, subsidizing gambling habits, funding personal travel by private jet, and other personal expenses.

The charges contained in an indictment are merely accusations. A defendant is presumed innocent until and unless proven guilty.

This case is being investigated by the FBI's Las Vegas Division. Significant assistance was provided by the U.S. Securities and Exchange Commission, the Criminal Division's Office of International Affairs and Japanese authorities. This case is being prosecuted by Assistant Chief Albert B. Stieglitz Jr. and Trial Attorney Melissa Aoyagi of the Criminal Division's Fraud Section and First Assistant U.S. Attorney Steven W. Myhre of the District of Nevada.

If you believe you are a victim of this offense, please click on the following link for more information: [justice.gov/usao-nv/united-states-v-edwin-fujinaga-junzo-suzuki-and-paul-suzuki-mri](https://www.justice.gov/usao-nv/united-states-v-edwin-fujinaga-junzo-suzuki-and-paul-suzuki-mri).

MRI Indictment

Topic(s):

Financial Fraud

Component(s):

Criminal Division

Press Release Number:

15-857

Updated July 8, 2015