



Department of Justice



United States Attorney Melinda Haag
Northern District of California

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SAN FRANCISCO MAN SENTENCED TO PRISON FOR RUNNING MULTI-MILLION DOLLAR PONZI SCHEME

Former Attorney Lost Approximately \$7 Million of \$10 Million Invested With Him

SAN FRANCISCO - Former attorney Robert G. Tunnell, Jr., was sentenced late Friday afternoon to almost five years in prison after pleading guilty to mail fraud and wire fraud resulting from his operation of a multi-year investment fraud scheme through which he defrauded his victims out of more than \$7 million, United States Attorney Melinda Haag announced.

Tunnell, 73, was an attorney until he resigned from the State Bar of California while charges that he diverted approximately \$300,000 from his law firm to his own account were pending against him. According to court documents, Tunnell held himself out as a successful investor, promising substantial returns while representing that he would invest funds in a conservative, safe and cautious manner. Tunnell, however, engaged in risky trading activity with his investors' money, losing approximately \$7 million of the approximately \$10 million investors – mostly family members and personal friends – entrusted to him from at least as early as January 2006 through his arrest in June 2011. Tunnell used most of the remaining money from his investors to repay other investors. Despite these substantial losses and other dissipation of funds, Tunnell consistently and falsely reported gains to his investors.

A Criminal Complaint was filed against Tunnell on June 22, 2011. He was arrested on June 23, 2011. On June 24, 2011, Tunnell was released on bail. He pleaded guilty to mail fraud and wire fraud on Nov. 22, 2011.

After Tunnell's arrest, the victims in this case received reimbursement of their losses – a total of approximately \$8.6 million – from a family member of Tunnell's. That family member had no involvement in or knowledge of Tunnell's scheme.

The sentence was handed down by U.S. District Court Judge Charles R. Breyer. Judge Breyer also sentenced Tunnell to a three-year period of supervised release, including as a condition that after his release from prison, Tunnell must spend six months on home detention with electronic monitoring. Judge Breyer ordered Tunnell to surrender by June 19, 2012, to begin serving his prison sentence.

Doug Sprague is the Assistant U.S. Attorney who prosecuted the case with the assistance of legal assistant Rayneisha Booth. The prosecution is the result of a three-month investigation by the Federal Bureau of Investigation, with assistance from the United States Commodity Futures Trading Commission.

This law enforcement action is part of President Barack Obama's Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The 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.

Further Information:

Case #: CR 11-0463 CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

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