



# Department of Justice

United States Attorney Melinda Haag  
Northern District of California

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CONTACT: JACK GILLUND  
(415) 436-

[Jack.Gillund](mailto:Jack.Gillund@usdoj.gov)

## **SAN FRANCISCO MAN INDICTED FOR RUNNING MULTI-MILLION DOLLAR PONZI SCHEME**

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

SAN FRANCISCO - Yesterday a federal grand jury in San Francisco indicted Robert G. Tunnell, Jr., of San Francisco, with seven counts of mail fraud, thirteen counts of wire fraud, and one count of money laundering, United States Attorney MELINDA HAAG announced. The charges result from Tunnell allegedly operating a Ponzi scheme from at least January 2006 until his arrest on June 23, 2011.

According to the Indictment, Mr. Tunnell, 72, was an attorney until he resigned from the State Bar of California while charges that he stole approximately \$300,000 from his law firm were pending against him. Tunnell subsequently held himself out as a highly successful investor, promising substantial returns while representing that he would invest funds in a conservative, safe, and cautious manner. According to the Indictment, however, Tunnell 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 January 2006 through June 2011. Tunnell used most of the remaining money from his investors to repay other investors and to pay off a debt he owed to a bank after he had failed to repay a loan. Despite these substantial losses and other dissipation of funds, Tunnell consistently and falsely reported gains to his investors, and even created false documents grossly overstating his assets and net worth.

A Criminal Complaint was filed against Tunnell on June 22, 2011, and he was arrested on June 23, 2011. On June 24, 2011, he was released on bail. He remains out of custody on a \$10,000,000 bond secured by the home of a family member. Tunnell was arraigned on the Indictment this morning, and he was ordered to appear before United States District Court Judge Charles R. Breyer on Wednesday, August 10, at 2:15 p.m.

The maximum statutory penalty for each count of mail fraud, in violation of Title 18, United States Code, Section 1341, and each count of wire fraud, in violation of Title 18, United States Code, Section 1343, is 20 years in prison, a fine of \$250,000, a 3-year term of supervised release, and restitution to victims. The maximum statutory penalty for money laundering, in violation of Title 18, United States Code, Section 1957, is 10 years in prison, a \$250,000 fine, a 3-year term of supervised release, and restitution. Any sentence following conviction, however, would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Doug Sprague is the Assistant U.S. Attorney who is prosecuting 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.

*Please note, an indictment contains only allegations against an individual and, as with all defendants, Mr. Tunnell must be presumed innocent unless and until proven guilty.*

**Further Information:**

Case #: 11-0463 CRB

A copy of this press release may be found on the U.S. Attorney's Office's Web site at [www.usdoj.gov/usao/can](http://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 Web site at [www.cand.uscourts.gov](http://www.cand.uscourts.gov).

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at [Jack.Gillund@usdoj.gov](mailto:Jack.Gillund@usdoj.gov).