

PRESS RELEASE
Office of the
United States Attorney
Middle District of Alabama
Leura Garrett Canary

April 3, 2002

Leura Garrett Canary, United States Attorney for the Middle District of Alabama, and Joseph P. Borg, Director, Alabama Securities Commission, jointly announced that on April 3, 2002, James M. Bohannon, age 62, of Montgomery, Alabama pled guilty in United States District Court before U. S. Magistrate Judge Charles S. Coody to a charge of wire fraud in violation of Title 18, United States Code, Section 1343. Bohannon was charged in a one count amended information on March 27, 2002, following a joint investigation by the Federal Bureau of Investigation and the Alabama Securities Commission. The scheme in this case involved the defendant soliciting people to invest in a European investment venture and transmitting the funds received by wire to accounts outside the state of Alabama. The defendant represented to the investors that the money would be placed in a Swiss Bank and that they would receive a guaranteed return of approximately eighteen to twenty-eight per-cent (18 - 28%). Contrary to the agreement with the investors the defendant withheld approximately \$497,000 of their investment for his personal and business use and to make periodic interest payments to lead them to believe that they were receiving interest payments on their investments. In fact, the investors never received any legitimate return on their investment. The defendant has also been indicted in regards to the scheme for violations of the Alabama Securities Act. The fraudulent scheme resulted in a loss to investors of over 2.3 million dollars.

U. S. Attorney Canary said, "This scheme points out the perils to the investing public. Anyone contemplating an unusual investment should investigate the experience

and licensure of the person with whom they are investing. They should do this by checking with state or other regulatory agencies before handing over their money. Defrauded investors should not be afraid to come forward and seek assistance from law enforcement agencies."

Bohannon faces a maximum possible sentence of not more than five years and a maximum possible fine of \$250,000 or both. He has also agreed to an order of restitution to the victims of the fraud. A sentencing date for the federal charge has not been set.

The U. S. Attorney's Office and the Alabama Securities Commission cautions potential investors to thoroughly check out any investment opportunity. Contact ASC for inquiries regarding securities broker-dealers, agents, investment advisors, and investment advisor representatives, the registration status of securities, to report suspected fraud, or obtain consumer information:

Write: Alabama Securities Commission
770 Washington Avenue, Suite 570
Montgomery, Alabama 36130-4700

Telephone: (334) 242-2984 or 1-800-222-1253 Fax:
(334) 242-0240

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