



Department of Justice

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Middle District of Pennsylvania**

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ROCHESTER MAN PLEADS GUILTY TO FRAUD IN MULTI-MILLION DOLLAR NATIONWIDE PONZI SCHEME

SCRANTON - The United States Attorney's Office for the Middle District of Pennsylvania announced that Perry Santillo, age 39, of Rochester, New York, pleaded guilty on November 4, 2019, to mail fraud.

According to United States Attorney David J. Freed, Santillo admitted to defrauding investors around the country as part of a Ponzi scheme that included victims in the Middle District of Pennsylvania. Santillo admitted as part of his plea that the scheme took in approximately \$115 million in fraudulent investments, and resulted in a total loss to investors of \$70.7 million.

Perry Santillo was a founder, member, manager, and CEO of First Nationle Solution, LLC. Santillo offered and sold securities in First Nationle, Percipience Global Corporation, United RL Capital Services LLC, and other issuers to investors. Santillo also provided investment advice to those same investors.

In fact, First Nationle, Percipience Global and United RL did not conduct their purported businesses. Rather, Santillo and others working with him operated each business primarily as a Ponzi scheme by issuing securities in the form of promissory notes, soliciting and then misappropriating substantial amounts of investor funds, and using some remaining investor funds to pay off redeeming investors.

As part of the scheme, Santillo and others travelled the country and bought books of business from investment professionals such as registered representatives and investment advisors.

In the Middle District of Pennsylvania, Santillo and those who aided and abetted him purchased a book of business from an investment advisor and conducted their fraud scheme under the guise of an "investment business" located in Scotrun, Monroe County, using various business names, including Advice and Life Group, Poconos Investments, First American Securities, and Financial Planners Group of America.

Santillo, with the help of others, then solicited investors from within those acquired books of business to withdraw money from traditional investments such as annuities, and reinvest the funds in issuers controlled by Santillo and others, including First Nationle, Percipience, and United RL, sometimes without disclosing that Santillo and his confederates controlled those issuers.

Through offering documents, company websites, and in-person pitches, Santillo and his confederates falsely indicated that investments would be used to fund legitimate businesses. However, rather than use investors' funds for purported legitimate business purposes, Santillo and his confederates misappropriated vast amounts of the funds for their personal use and used some of the funds to pay redeeming investors to perpetuate the Ponzi scheme.

Santillo and his associates also misrepresented the ongoing performance – or lack thereof – of investors' investments. Santillo and others provided account statements to investors falsely stating that investor funds were invested, falsely stating investment returns, and in some cases falsely stating that a bonus had been credited to investor accounts. In certain instances, Santillo and others provided investors with bonus funds or interest payments, and in other cases Santillo and others provided redeeming investors with all or part of their funds, at times with returns. These were Ponzi payments derived from new investor funds rather than actual investment returns. In other cases, Santillo and others failed to fulfill the requests of investors to redeem their investments.

Among the victim investors defrauded in the Middle District of Pennsylvania was an individual with the initials "JP." Victim JP first invested \$159,000 in First Nationle in September 2015, and invested another \$380,000 in June 2016. In 2017, JP also invested twice in United RL, the first an investment of \$20,000 and the second \$52,000. Santillo and confederates also induced JP to invest \$325,000 in a third fraudulent issuer. JP was repaid only \$15,000, and was defrauded of the remainder of the \$936,000 total investment. The specific charge in the information to which Santillo pled guilty related to a mailing sent in relation to the fraudulent investments JP was sold by Santillo and his confederates.

"As he did in districts throughout the country, Perry Santillo came to the Middle District of Pennsylvania and purchased a business from a trusted investment advisor for the sole purpose of finding new victims to exploit," said U.S. Attorney Freed. "This massive nationwide fraud was committed for one simple reason – to enrich Santillo and his confederates. This was a scam from day one, and Santillo and the others knew it. Thankfully, federal law enforcement was on the case. I want to particularly thank my friend and colleague U.S. Attorney J.P. Kennedy and his team for their hard work on this case and commend all of the federal agencies involved for their industry and cooperative efforts."

Santillo had previously pled guilty in the Western District of New York to a three-count information in a related case in October 2019. The investigation is continuing in the Middle District of Pennsylvania, as well as, the Western District of New York with respect to others who may have participated in the scheme.

The case was investigated by the U.S. Federal Bureau of Investigations; the Securities and Exchange Commission; United States Postal Inspection Service; the Internal Revenue

Service, Criminal Investigation Division; the U.S. Department of Labor, Office of Inspector General, Office of Investigations – Labor Racketeering and Fraud; the New York State Department of Financial Services; and the Harrisburg Police Department. Assistant U.S. Attorney Sean A. Camoni in Scranton, and Assistant United States Attorney John Field in Rochester are prosecuting the case.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

The maximum penalty under federal law for this offense is 20 years of imprisonment, a term of supervised release following imprisonment, and a fine. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.

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