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Western District of New York

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**Rochester Man Who Bilked At Least 1000 Victims Out Of
More Than 100-Million In A Nationwide Multi-Million
Dollar Ponzi Scheme Going To Prison**

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ROCHESTER, N.Y. - U.S. Attorney Trini E. Ross announced today that Perry Santillo, 41, of Rochester, NY, who was convicted of conspiracy to commit mail fraud, mail fraud, and conspiracy to launder money, was sentenced to serve 210 months in prison by U.S. District Judge Frank P. Geraci, Jr. Santillo was also ordered to pay restitution totaling \$102,952,582.77.

Assistant U.S. Attorney John J. Field, who handled the case, stated that between January 2008 and June 2018, Perry Santillo conspired with Christopher Parris and others, to obtain money through an investment fraud commonly known as a Ponzi scheme. In 2007, Santillo and Parris, as equal partners, formed a business known as Lucian Development in Rochester, which raised millions of dollars from investors in Rochester, and elsewhere, by soliciting investments for City Capital Corporation, a business operated by Ephren Taylor. In July 2007, Santillo and C.P. were advised by Ephren Taylor that their investors' money had been lost. In response, in August 2007, Santillo and Parris agreed to acquire the assets and debts of City Capital Corporation. The acquisition proved financially ruinous, with the amount of the acquired debt far exceeding the value of the acquired assets. Taylor was later prosecuted and convicted of operating a Ponzi scheme.

Subsequently, Santillo and Parris chose not to disclose the truth to investors that their money was gone. Instead, they continued to solicit ever-increasing amounts of money from new investors in an unsuccessful attempt to recoup the losses. In order to find potential investors to solicit and defraud, Santillo and Parris purchased the businesses of at least 15 investment advisors or brokers, located in Tennessee, Ohio, Minnesota, Nevada, California (5 businesses), Florida, South Carolina (2 businesses), Texas, Pennsylvania, Maryland, and Indiana. Over the years, to keep the Ponzi scheme from being detected, a substantial portion of incoming new investor monies were depleted by making promised interest and other payments to earlier investors. Most of the rest of incoming investor money was used by Santillo and Parris to finance lavish lifestyles, expand the scheme by purchasing investment advisor/brokerage businesses to obtain access to fresh investors, and to pay operating expenses – salaries for a sales force and administrative staff, office rents and related expenses, housing for employees, and interest on loans.

Between January 2012 and June 19, 2018, Santillo and Parris obtained at least \$115.5 million from approximately 1000 investors. By the time the scheme collapsed in late-2017/early 2018, Santillo and Parris had returned approximately \$44.8 million to investors as part of their scheme but continued to owe investors approximately \$70.7 million.

“For years, Perry Santillo preyed on investors who placed their trust in him to properly invest their hard-earned money,” stated U.S. Attorney Ross. “However, Santillo abused the trust of those

investors to finance his own self-interests. Because of the hard work of law enforcement to expose Santillo's fraudulent scheme, he is facing the consequences of his actions, including going to prison."

"IRS-CI agents are known for following the money trail, and in this case, it stretched nearly a decade long and involved more than 1,000 victims and \$100 million," said Thomas Fattorusso, Special Agent-in-Charge of the IRS-CI New York Field Office. "I am grateful to our agents and law enforcement partners who helped unravel this Ponzi scheme, and I hope the scheme's victims have closure today knowing that justice was served."

Christopher Parris was previously convicted and is awaiting sentencing.

The sentencing is the result of an investigation by the United States Postal Inspection Service, under the direction of Inspector-in-Charge Ketty Larco-Ward, Boston Division; the Federal Bureau of Investigation, Buffalo Division, under the direction of Special Agent-in-Charge Stephen Belongia; the Internal Revenue Service, Criminal Investigation Division, under the direction of Thomas Fattorusso, Special Agent-in-Charge; the U.S. Department of Labor, Office of Inspector General, Office of Investigations – Labor Racketeering and Fraud, under the direction of Jonathan Mellone, Special Agent-in-Charge, New York Region, the New York State Department of Financial Services, under the direction of Superintendent Linda A. Lacewell; and the Securities and Exchange Commission.

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Securities, Commodities, & Investment Fraud

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