

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
JOSEPH S. FORTE	:	VIOLATIONS: 18 U.S.C. § 1343 (wire fraud - 1 count) 18 U.S.C. § 1341 (mail fraud - 1 count) 18 U.S.C. § 1344 (bank fraud - 1 count) 18 U.S.C. § 1957 (money laundering - 1 count) Notice of forfeiture

INFORMATION

COUNTS ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times relevant to this information:

1. Defendant JOSEPH S. FORTE was the only general partner of the Joseph Forte LP investment fund ("the partnership"), a limited partnership whose stated purpose was to realize profit by trading in S&P 500 stock index futures contracts.
2. Defendant JOSEPH S. FORTE had sole and exclusive control of the partnership and operated the partnership from his home in Broomall, Pennsylvania.
3. Defendant JOSEPH S. FORTE maintained a trading account at a Chicago-based broker dealer which was registered with the Securities and Exchange Commission (SEC) and the Commodities Futures Trading Commission (CFTC) ("the broker dealer").

4. Defendant JOSEPH S. FORTE falsely represented to investors and potential investors that all money invested in the partnership would be traded in the futures market through his trading account at the broker dealer.

5. Defendant JOSEPH S. FORTE falsely represented to investors and potential investors that as a result of FORTE's trading in the futures market, the partnership consistently realized returns between 18 and 38 percent and that the fund never lost money, even though FORTE knew full well that he consistently lost money on his actual trades and that the return rates he reported were numbers that he fabricated.

THE SCHEME

6. From at least in or about January 1996 through on or about December 22, 2008, defendant

JOSEPH S. FORTE

devised and intended to devise a scheme to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

7. It was part of the scheme that:

a. Defendant JOSEPH S. FORTE solicited individuals and caused others to solicit individuals to invest money in the partnership by falsely representing that:

- 1) Defendant FORTE had a system for profitably trading in S&P 500 stock index futures contracts, which consistently enabled the partnership to realize returns in excess of 18 percent, regardless of the state of the American economy;

- 2) Defendant FORTE would use investments solely for trading in futures contracts;
- 3) When Defendant FORTE was not using the investments to make trades, he would keep investors' money as cash in a checking account at Citizen's Bank or at a cash account at the broker dealer; and
- 4) Defendant FORTE would provide investors with accurate information about the status of their respective investments.

b. Defendant JOSEPH S. FORTE accepted more than \$80 million from investors based upon the false representations set forth above.

c. Defendant JOSEPH S. FORTE instructed his accountant ("the accountant") to prepare individual account statements ("account statements") for each investor, based on FORTE's representations about the performance of the partnership, and to send the statements to investors on a quarterly basis.

d. Defendant JOSEPH S. FORTE utilized an AOL e-mail account, which relayed FORTE's transmissions from Pennsylvania through an AOL server in Virginia, to send the accountant e-mail messages containing false representations about FORTE's trading activity, the status of the investors' investments, and the worth of the partnership.

e. Defendant JOSEPH S. FORTE made false representations to the investors about his trading activity, the status of the investors' investments, and the worth of the partnership via account statements that the accountant mailed to the investors.

f. Defendant JOSEPH S. FORTE paid some investors returns on their investments, falsely representing that the money was generated by his trading activity at the broker dealer, knowing full well that, in fact, the money was not generated by trading profits and that these investors were paid with money contributed by other investors.

g. Defendant JOSEPH S. FORTE directed investors to sign a limited partnership agreement stating that FORTE would receive a management fee of one-half percent of the capital of the partnership each quarter as well as an incentive fee based on the performance of the partnership.

h. Defendant JOSEPH S. FORTE paid himself millions of dollars in salary and fees from the partnership.

8. On or about September 30, 2008, in Broomall, in the Eastern District of Pennsylvania and elsewhere, defendant

JOSEPH S. FORTE,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by means of wire communication in interstate commerce from Pennsylvania to Virginia, e-mail messages containing fictitious "investment returns," which falsely represented to the accountant that the partnership had a value of approximately \$154,700,189, when in fact the actual value of the partnership was less than \$150,000.

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. On or about October 3, 2008, in Broomall and Radnor, in the Eastern District of Pennsylvania and elsewhere, defendant

JOSEPH S. FORTE,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered from Radnor, Pennsylvania to New York City, New York by U.S. mail, according to the directions thereon, a fraudulent account statement, which falsely represented the performance of an investor's investment and stated that the partnership had a value of approximately \$154,700,189, when in fact the actual value of the partnership was less than \$150,000.

In violation of Title 18, United States Code, Section 1341.

COUNT THREE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. At all times relevant to this information, Commerce Bank was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.
3. On or about April 16, 2008, in Broomall, in the Eastern District of Pennsylvania, and elsewhere, defendant

JOSEPH S. FORTE

knowingly executed, and attempted to execute, a scheme to defraud Commerce Bank, and to obtain monies owned by and under the care, custody, and control of that bank by means of false and fraudulent pretenses, representations, and promises.

THE SCHEME TO DEFRAUD COMMERCE BANK

4. In order to execute the fraudulent scheme described in Counts One and Two, defendant **JOSEPH S. FORTE** obtained from Commerce Bank a loan in the amount of approximately \$497,986.50.
5. In order to induce Commerce Bank to extend credit to him, defendant **JOSEPH S. FORTE** submitted a personal financial statement in which he made fraudulent representations about his finances, knowing that the bank would rely on his representations in deciding whether to grant him credit.

MANNER AND MEANS

6. It was part of the scheme to defraud Commerce Bank that in the personal financial statement that he submitted to Commerce Bank, defendant **JOSEPH S. FORTE** falsely

represented that the partnership had a “current market value” of \$3.5 million when in fact, as FORTE well knew, the partnership’s account at the broker dealer had a zero balance and the partnership’s checking account at Citizen’s Bank had a balance of less than \$219,000.

In violation of Title 18, United States Code, Section 1344.

COUNT FOUR

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 7 of Count One are incorporated here.
2. With the proceeds of the fraudulent scheme described in Counts One and Two, defendant JOSEPH S. FORTE made numerous purchases affecting interstate commerce, including but not limited to a house located at 10 55th Street South, Sea Isle City, New Jersey, which the defendant purchased on or about October 4, 2000 with a down payment of approximately \$200,000.
3. With the proceeds of the fraudulent scheme described in Counts One and Two, defendant JOSEPH S. FORTE made numerous donations to schools, charities, and religious organizations, affecting interstate commerce.
4. On or about June 13, 2007, in the Eastern District of Pennsylvania and elsewhere, defendant

JOSEPH S. FORTE,

knowingly engaged in a monetary transaction, affecting interstate commerce in criminally derived property of a value greater than \$10,000, that is a \$200,000 donation to a school in Malvern, Pennsylvania, and such property was derived from a specified unlawful activity, that is mail fraud, in violation of Title 18, United States Code, Section 1341, and wire fraud, in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United States Code, Section 1957.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1341, 1343, and 1344 as set forth in this information, defendant

JOSEPH S. FORTE

shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the commission of such offenses, including, but not limited to the following: a sum of at least Twenty and One Half Million Dollars (\$20,500,000.00).

2. Such property shall include, but not be limited to, the following:

a. Money Judgment. A sum of money equal to at least \$20,000,001 in United States currency, representing the amount of proceeds obtained as a result of the mail and wire fraud charged in Counts One and Two.

b. Money Judgment. A sum of money equal to at least \$481,602.90 in United States currency, representing the amount of proceeds obtained as a result of the bank fraud charged in Count Three.

c. Bank Accounts. All funds under the control of the above-named defendant in any bank accounts, including bank accounts at Citizen's Bank and TD Bank.

d. Real Property. The houses and real property located at:

225 Fawnhill Road, Broomall, Pennsylvania; and

10 55th Street South, Sea Isle City, New Jersey.

3. If any of the property subject to forfeiture, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States of America, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2) and Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2).


FOR **LAURIE MAGID**
United States Attorney