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NEWS

Illinois Department of Insurance

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State Revokes License of West Suburban Insurance Agent and Agency for Scamming Hundreds in Ponzi-Like Scheme

Department also imposes \$100,000 fine

CHICAGO - August 10, 2010. The Illinois Department of Insurance has revoked the license of a west suburban insurance agent for luring Illinois and California retirees into a pyramid scheme in which the agent misrepresented that the funds would be used for the purchase of Turkish Eurobonds.

The Department's investigation revealed that Robert C. Pribilski of Lisle and his Oakbrook Terrace-based companies, USA Financial Management Services, Inc. and USA Retirement Management Services (USARMS), invited retirees to estate planning seminars only to later coax the retirees into the purchase of promissory notes for purported Turkish investments with alleged interest returns between 8 and 11 percent. Pribilski, his company, and another individual raised at least \$20 million from more than 120 investors and, rather than investing the money as promised, misused the funds to purchase luxury automobiles, homes, and vacations. Pribilski and his associates also wired investor money into bank accounts belonging to individuals living in Turkey.

In April 2010, the Illinois Secretary of State, Securities Department, issued an Order of Prohibition against Pribilski and USARMS permanently prohibiting them from offering or selling any securities in or from the State of Illinois. Pribilski and USARMS' securities are not registered with the U.S. Securities and Exchange Commission.

As a result of Pribilski and USARMS' fraudulent, dishonest and coercive actions, the Department also imposed a civil penalty of \$100,000, which is the maximum allowed under Illinois law.

More information

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner. Consumers in need of information or assistance should visit the Department's Web site at insurance.illinois.gov or call our toll-free hotline at (877) 527-9431.

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