

How do Ponzi Schemes in South Florida Work?

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Author: [Andrew Stine](#)

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A Ponzi scheme is a specific type of fraudulent investment. It is the act of using money received from investors to pay off other investors and personal expenses. Ponzi schemes are tactically organized to avoid using real profit for payments.

Usually when a Ponzi scheme makes the news, it involves short-term returns that are abnormally high – making the perpetrator more noticeable. Ponzi schemes only work if there is an increasing flow of money from investors. Without an increasing amount, the plan will eventually collapse in on itself if the money flowing in is not enough for return payments to the investors involved.

Ponzi Schemes in South Florida

A South Florida real estate talk show host was arrested last week and [accused of creating a Ponzi scheme](#). Anthony F. Cutaia was accused of recruiting investors for commercial real estate projects organized by his own company in Boca Raton, CMG Property Investment Group, according to WPTV News.

The U.S. Attorney's Office filed a complaint Friday discussing the scheme. Cutaia allegedly invested little of the investors' money and instead used it to pay off other investors and pay personal and business expenses, according to the complaint.

This is a classic example of a Ponzi scheme where the money just ran out.

Cutaia, host of "Talk About Mortgages and Real Estate," could be facing a maximum of 20 years in prison, and a \$250,000 fine.

Fraud Criminal Defense

[Fraud charges](#) in the state of Florida are taken very seriously. Depending on the amount of money you are accused of, the minimum years in prison can vary between five and 30 years. The fine can vary from \$5,000 to \$300,000. If you have been accused of fraud, or worse, creating a Ponzi scheme, you need a criminal defense lawyer in your arsenal immediately. Only a [criminal defense lawyer](#) will be able to understand your circumstances and help avoid maximum sentences.

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