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New Jersey Woman Charged in \$10 Million Ponzi Scheme (Update1)

By David Voreacos

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Aug. 12 (Bloomberg) -- A New Jersey woman was charged with fraud for running a \$10 million Ponzi scheme that drew more than 1,000 investors, including fellow members of the group once known as the Unification Church, founded by Korea's Rev. [Sun Myung Moon](#).

Marcia Sladich, 50, was arrested today by FBI agents at her home in Clifton, U.S. Attorney [Christopher Christie](#) said in a statement. She bilked investors through Kay Services LLC, which claimed to invest in real estate, and promised 100 percent annual returns on "secure and risk-free" investments, according to a complaint.

"There were no bona fide investments," Federal Bureau of Investigation agent Lindsay Garland wrote in an affidavit charging Sladich with one count of mail fraud. "Bank records reveal that defendant Marcia Sladich and Kay Services had no revenue-generating business operations at all."

Sladich, who faces as much as 20 years in prison if convicted, made an initial appearance today in federal court in Newark, New Jersey. U.S. Magistrate Judge [Patty Shwartz](#) ordered her detained without bail, saying she posed a risk of flight to her native Brazil.

"She denies the allegations and will enter a formal plea of not guilty," defense attorney Ravinder Bhalla said in an interview.

RESOURCES

- [Bloomberg TV](#) Sued by SEC
- [Bloomberg Radio](#) The U.S. Securities and Exchange Commission sued Sladich today for fraud, saying she raised money from more than 1,000 victims, many belonging to the Family Federation for World Peace, formerly known as the Unification Church, where she is a member.
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To keep the scheme going, Sladich "simply used new investor money to make principal and interest payments to existing investors," Garland wrote. She promised additional payments for bringing in new investors, according to the FBI.

While the loss to investors was "significant," investigators are still trying to determine the actual amount, Assistant U.S. Attorney Justin Arnold said in an interview. He said Sladich's house in Clifton is in foreclosure.

Sladich allegedly used investor funds to pay personal expenses, including credit card and mortgage payments, according to the SEC complaint. She also bought a condominium in Orlando, Florida, and sent more than \$400,000 to relatives in Brazil, who used some of it to buy property, according to the SEC.




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Sladich worked as a ticket taker and usher at the Meadowlands Sports Complex in East Rutherford, New Jersey, according to the SEC complaint.

The criminal case is U.S. v. Sladich, 08-03135, and the civil case is SEC v. Kay Services LLC and Marcia Sladish, 08-cv-04016, U.S. District Court for the District of New Jersey (Newark).

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