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PRESS RELEASE

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Father and Son Convicted of Theft for Operation of Investment Scheme Involving Family and Friends

BALTIMORE, MD (December 12, 2022) – Maryland Attorney General Brian E. Frosh today announced the convictions of Eugene Fusting, 79, and Christopher Ian Fusting, 52, of Baltimore relating to their operation of a Ponzi-like investment scheme between 2012 and 2019. Eugene and Christopher Fusting were found guilty of Theft Scheme Over \$100,000 and Conspiracy to Commit Theft Scheme Over \$100,000 after pleading guilty in the Circuit Court for Baltimore City. Judge Melissa Phinn sentenced both Eugene and Christopher Fusting to 30 years in prison, all of which were suspended. Eugene will serve 18-months of home detention and Christopher will serve 12-months of home detention. Judge Phinn also ordered the Fustings to serve 5 years of supervised probation and pay restitution in the amount of \$808,745.00.

These charges are the result of a seven-year theft scheme operated by Eugene and Christopher Ian Fusting. Eugene Fusting would solicit friends and family to “invest” in what he called a “family and friends,” “income”, or “trust” plan, claiming that that he and his son Christopher operated an investment fund. He claimed the funds would be pooled and guaranteed the principal and a certain, though differing, rate of return. In fact, there was never a pooled investment fund nor any investment plan, and the funds obtained, in excess of \$800,000, were instead spent by the Fustings on personal expenses.

“This father-son team stole money indiscriminately from elderly investors and from family and friends,” said Attorney General Frosh. “The Fustings operated a fraudulent scheme and depleted the savings of their victims to support their lifestyle.”

Both Eugene and Christopher Fusting held brokerage accounts in their individual names at an online securities and brokerage firm where they would, on occasion, wire a portion of the funds they received. However, instead of utilizing these accounts to invest the funds, the brokerage accounts served as a conduit for investor funds, where investors’ money sat until the balances on the Fustings’ individual bank accounts waned, at which time funds were wired out of the brokerage accounts back to the personal accounts and spent on personal expenses. Neither Fusting had any additional source of income and relied on the stolen funds to support their lifestyles.

The investment scheme also operated as a Ponzi scheme, and when an investor would demand a return of their funds, Eugene Fusting would solicit additional “investors,” and utilize those new funds to repay previous investors.

In all, the Fustings stole over \$800,000 from six individuals, many of whom are elderly and whose retirement savings were entirely depleted. The Fustings utilized the proceeds received from their family and friends on mortgage payments, credit card bills, vacation rentals, swim club membership and private school tuition.

In making today’s announcement, Attorney General Frosh thanked the Fraud and Corruption Unit, specifically Assistant Attorney General Alyn Pearson, and investigative auditor Harry Armstrong for their work on this case.

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