



NLDS GAME 2 | CUBS AT DIAMONDBACKS

# Cubs up all night

And the Chicago Tribune covered every play. Get the final score, reporters' analysis and experts' insights at [chicagotribune.com](http://chicagotribune.com)



Tribune photo by Nuccio DiIorio

A dejected Ted Lilly sits with pitching coach Larry Rothschild after the 3rd inning. Lilly gave up four runs in the second inning and two in the fourth. At the end of the fourth inning the Cubs were down 6-2.

# 2 accused of taking \$6 million

## Latino investors trusted couple, prosecutors say



Sanjuanita and Ernesto Arellano "just got in over their heads," their lawyer says.

By Jo Napolitano  
Tribune staff reporter

It took Jose Jimenez, a welder and truck driver from Chicago, 27 years to save the \$150,000 he invested with a Blue Island couple who assured him the money was safe in their hands.

By the time they were arrested, Sanjuanita and Ernesto Arellano had bilked Jimenez and some 200 other Mexican-American clients out of \$6.3 million, wiping out retirement and college savings funds, authorities say.

The Arellanos focused almost solely on the Hispanic community, courting whole families with too-good-to-be-true returns on certificates of deposit, investigators said.

"This money, I tried to save it for college for my kids," Jimenez said. "They kept telling me, 'Don't worry about your money. It's secure. You'll get it back with interest.' We trusted them."

Clients trusted the Arellanos because of their shared culture, because the couple were well-known in their community and because they were likable, experts and alleged victims said.

But when the Arellanos' debt load became too great earlier this summer, the business imploded. Investors started to panic when the couple closed the financial-services business at 12814 S. Western Ave., hanging a sign on the door saying they were away on vacation.

Anxious clients waited for their return, but after several weeks, word spread throughout the tight-knit community that something was awry. Some families contacted authorities, and soon after, clients started to pack the lobby of the Blue Island

# INVESTORS: 200 clients victimized, officials say

CONTINUED FROM PAGE 1

Police Department, demanding an investigation.

Authorities spent the summer identifying and interviewing about 200 alleged victims. The Arellanos were arrested in July and pleaded not guilty in Cook County Circuit Court to charges of theft and of organizing a financial-crimes enterprise. They remain in jail, unable to pay the \$200,000 cash bond.

Raymond Prusak, the Arellanos' attorney, said that his clients are in financial ruin and that they didn't make money off the alleged crimes.

"Their intent all along was to pay everybody back," he said. "They may have used unorthodox methods of investment out of naivete or ignorance, but they just got in over their heads."

The problems began when "one or two people" complained about the company, he said, and there was a "run on the bank."

"If there was criminal intent involved, there would be money somewhere, but there isn't," Prusak said.

That brings no comfort to investors, who have slogged through the stages of grief.

Authorities are trying to determine whether Ernesto, 47, and SanJuanita Arellano, 44, have additional assets, but Assistant State's Atty. John Mahoney said victims may get pennies on the dollar back, far less than the 16 percent interest the couple once offered on the CDs.

## Savings gone

Mahoney said the alleged scheme devastated some families. Many of the alleged victims were elderly and will not be able to replace their losses with fu-

ture earnings.

"These financial crimes are killers," he said. "They're like financial homicides."

Isidro Corral of Chicago said he was too depressed to talk at length about his loss.

Corral said he gave the Arellanos \$150,000 from the sale of his house. He said the couple promised to double his money, but now, his life's savings are gone.

"It's driving us crazy," Corral said of him and his wife.

While many of the families had just a few thousand dollars to invest, several lost \$200,000 or more.

Jimenez was such a believer in the company that he encouraged family members to join him. His cousin, Miguel Sanchez, 30, also a truck driver, lost more than \$23,000—14 years' worth of savings.

Sanchez bought a truck in the spring, planning to pay it off with the returns on his investment.

"I feel so bad," he said. "I owe money to the dealer, but I don't have anything in the bank to pay. I try to work as much as I can."

"I drive from Chicago to Laredo [Texas]. I go back and forth to see if I can make back some of the money I lost."

Elia Jimenez, an administrative assistant at a bank, gave the Arellanos \$20,000. She began investing with the couple in 2002 because her Uncle Jose had known them for years.

"We trusted my uncle's instincts, and the interest was so much higher than at any bank," she said.

Blanca Castaneda of Blue Island is embarrassed about falling for the alleged scam. A college graduate, she feels she should have known better.

"I feel like, 'How could this have happened to me?'" she said.

Nilda Flores-Gonzalez, associate professor of sociology at the University of Illinois at Chicago, said it's not surprising the clients would place so much trust in the Arellanos.

"Because of language and cultural similarities, you would

think these people would have your best interest in mind because they're like you," said Flores-Gonzalez, who specializes in Latin American and Latino studies. Some Hispanics may feel disconnected from traditional banks, making the Arellanos more appealing.

"Other companies . . . may be ignoring this population," she said. "They are left more vulnerable because they don't have as many options."

Prosecutors said they believe some of the Arellanos' clients may be undocumented, which may have contributed to reluctance to contact police.

## Trouble started recently

Investors said relationships with the Arellanos began to deteriorate in the past couple of years, but the company kept them at bay with excuses and temporary solutions.

Before, when clients came to collect their yearly interest, they received their checks with no problem. Prusak, the defense attorney, said they made good on their promises for more than 10 years. But then something changed. When suspicious investors tried to withdraw their money entirely, they were given the runaround and told of last-minute rules and regulations they had never heard of, the alleged victims said.

Prosecutors said that whenever the Arellanos were tight on cash—or if a persistent client demanded money back—the couple would go out and recruit more families. They sent out notices offering plasma TVs and cash-back awards for new clients, using the new income to pay off old debts, authorities said.

Teresa Hernandez, a community activist, said she has trouble believing the Arellanos would do this on purpose. Hernandez, who has known the family for years, described SanJuanita as "a smart girl" who was professional, wearing a suit to work each day.

"She was a soft-spoken person," Hernandez said. "She always greeted you with a smile."  
*jnapolitano@tribune.com*