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British citizen pleads not guilty in alleged $99 million wine fraud case in Brooklyn federal court

Prosecutors accuse two UK nationals of running a global investment scam through Bordeaux Cellars, targeting investors with fake wine assets

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James Wellesley, a British citizen, appeared in a Brooklyn federal court this month after being extradited to the United States to face charges related to an alleged $99 million wine fraud scheme. The U.S. District Attorney’s Office for the Eastern District of New York confirmed Wellesley’s appearance and stated that he pleaded not guilty to charges of wire fraud, conspiracy to commit wire fraud, and conspiracy to commit money laundering. Wellesley, 58, is being held in custody while awaiting trial.

Wellesley is the second UK national to face trial in the U.S. over this case. His co-defendant, Stephen Burton, 60, was extradited from Morocco in 2023 and also pleaded not guilty. Both men are accused of running a fraudulent investment scheme through their company, Bordeaux Cellars. According to prosecutors, they claimed to offer investment loans backed by a large stockpile of valuable wine bottles. However, authorities allege that the wine did not exist and that the pair used new investors’ funds to pay off earlier investors and cover personal expenses.

The alleged scheme took place between June 2017 and February 2019. Prosecutors say Wellesley and Burton targeted investors by promising that high-value wines would be held as collateral for loans made to wine collectors. The U.S. Attorney’s Office claims that instead of securing these loans with real assets, the defendants misused investor funds for their own benefit and made fraudulent interest payments to maintain the appearance of legitimacy.

Ricky J. Patel, special agent in charge at Homeland Security Investigations New York, said the defendants are accused of exploiting investors around the world, including residents of New York. Patel stated that Wellesley and Burton presented Bordeaux Cellars as a reputable business with wealthy clients and a significant inventory of fine wine, but in reality defrauded investors out of millions.

If convicted on all counts, both men could face up to 20 years in prison. The U.S. Attorney’s Office emphasized that the charges are allegations at this stage and that both defendants are presumed innocent unless proven guilty in court. The case highlights ongoing concerns about fraud in alternative investment markets such as fine wine, where verification of assets can be challenging for individual investors. Proceedings will continue in federal court in Brooklyn as both men await trial dates.