



Department of Justice

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FORMER CINCINNATI INVESTMENT ADVISOR SENTENCED TO 97 MONTHS IMPRISONMENT FOR FRAUD, TAX CRIMES

DAYTON – William Appleton, age 41, formerly of Cincinnati and now living in Seattle, was sentenced in United States District Court here today to 97 months imprisonment for one count of mail fraud and 60 months imprisonment, to be served concurrently, for one count of income tax evasion. Appleton pleaded guilty in March, 2009 to the crimes in connection with investment firms he ran between 2003 and 2007. He was also ordered to pay \$6,281,252 million in restitution to 14 victims, including \$1,099,267 to the Internal Revenue Service.

William E. Hunt, Acting United States Attorney for the Southern District of Ohio; Jose A. Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation (IRS); Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation (FBI), Cincinnati; Gerald A. O'Farrell, Assistant Inspector in Charge, U.S. Postal Inspection Service; and Director Mary Jo Hudson, Ohio Department of Insurance, announced the sentence handed down today by United States District Judge Thomas M. Rose.

According to a statement of facts filed with Appleton's plea, he operated two businesses, Appleton Advisors and Appleton Capital Management, in Cincinnati. As a marketing tool, Appleton provided investors with a book he claimed to have written on investment strategies but now admits that he did not write. Appleton promised potential clients that he would invest 98 percent of their funds in financial markets.

Appleton instead used most of the investors' funds for his personal living expenses, operation of his companies, and payment to earlier investors who were seeking to withdraw funds from their accounts with him. Appleton lost the funds he actually invested and concealed the losses from investors. In addition, Appleton generated significant income from the theft of his client's funds. Appleton used fraudulent account statements and transferred funds through multiple bank accounts in an effort to conceal the income he earned from the IRS.

Hunt commended the cooperative investigation by IRS and FBI agents, Postal Inspectors, and investigators from the Ohio Department of Insurance, along with Assistant U.S Attorney Brent Tabacchi, who prosecuted the case.

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