



U.S. Department of Justice

United States Attorney Eastern District of Arkansas

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BIGELOW MAN PLEADS GUILTY IN REAL ESTATE SCAM

Little Rock - United States Attorney Jane W. Duke announced that Kristian D. Nelson, age 35, of Bigelow, Arkansas, pled guilty to interstate wire fraud and being a felon in possession of firearms. His plea was accepted today by United States District Judge Susan Webber Wright.

Nelson entered a plea of guilty to ten counts of interstate wire fraud. Each count of wire fraud is punishable by not more than 30 years imprisonment, and/or a fine of up to \$1,000,000. He also pled guilty to one count of being a felon in possession of firearms, which carries a statutory sentence of not more than 10 years imprisonment and/or a fine of up to \$250,000. The remaining counts of the Indictment were dismissed by motion of the United States. Nelson will be sentenced at a later date to be determined by the court.

Starting in late 2004 and continuing through late 2006, Nelson fraudulently represented himself in Arkansas and elsewhere as someone who was making millions in real estate development in central Arkansas. Nelson would convince potential investors that he would assist them in making large profits, either through the purchase of lots and the construction of new houses in a subdivision he was developing, or through the buying, renovating, and selling of older existing housing in Little Rock. Nelson misrepresented to the investors that they were actually purchasing houses or purchasing lots and that he would construct houses, and further misrepresented that he actually was developing a subdivision. As most all the investors were out of state, Nelson would routinely have them wire money to his bank accounts in Arkansas. In managing the scheme, Nelson, on occasion, would promise to return the funds, would provide worthless quitclaim deeds, or would actually return small amounts of money to some of the more disillusioned investors. Nelson obtained more than \$1 million from these "investors."

Nelson was indicted in April, 2007, scheduled for trial, and released on bond. While awaiting trial, the Perry County Sheriff's Department contacted the Bureau of Alcohol, Tobacco, Firearms, and Explosives and reported they had become aware that Nelson, who had been previously convicted of felony hot-check and false police report charges, was in possession of several firearms at his home in Bigelow, Arkansas while on bond for the federal fraud charges. A federal search warrant was obtained and executed to locate and recover the firearms and Nelson was arrested. Nelson was subsequently indicted a second time in May, 2008, for being a felon in possession of firearms.

This matter was investigated by special agents with the Federal Bureau of Investigation, and the Bureau of Alcohol, Tobacco, Firearms, and Explosives in cooperation with the Perry County Sheriff's Department.

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