



U.S. Department of Justice

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STERLING MAN SENTENCED ON FEDERAL MAIL FRAUD CHARGE

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, JESSE WHITE, Illinois Secretary of State, and THOMAS P. BRADY, Postal Inspector-in-Charge of the United States Postal Service, and Illinois State Police Director LARRY G. TRENT today made the following announcement:

United States District Judge Frederick J. Kapala today sentenced **RICHARD A. WELLS**, 51, of 609 17TH Avenue, Sterling, Illinois, to 41 months in federal prison without parole for mail fraud resulting from a scheme between 2002 and March 1, 2007 to defraud private investors located in the Quad Cities area of \$337,409.20. Defendant was also ordered to pay restitution to 12 different victims in the amount of \$337,409.20.

Wells pled guilty on November 9, 2007. According to the plea agreement, Wells admitted that from 2002 through March 2007, he employed a scheme in which he persuaded business clients to liquidate legitimate investments and deliver the proceeds to him to reinvest. Defendant falsely promised that he would reinvest his clients' funds in what defendant referred to as a "Mutual Trust" or a "Mutual Bond Trust," and in other investments, taking the investors' monies, and instead of investing his clients' money, defendant used it to pay various personal expenses. To avoid discovery of this scheme, defendant made sporadic payments to some clients that he described as "interest" payments. Wells defrauded a total of 12 former clients and caused them to sustain a total loss of \$337,409.20.

The case was investigated by agents from the United States Postal Inspectors Service, the Enforcement Division of the Illinois Secretary of State Securities Department and the Illinois State Police. The case was prosecuted in federal court by Rockford Assistant United States Attorney Mark T. Karner.

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