NEWS

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FOR IMMEDIATE RELEASE
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Dover Township Man Sentenced to 46 Months for Tax Evasion

– Judge Orders Defendant to Pay Restitution of $5.8 Million to Investors –

(More)

TRENTON – A Dover Township man was sentenced to 46 months in federal prison today on one count of tax evasion for not reporting approximately $481,402 in income for tax year 2002, U.S. Attorney Christopher J. Christie announced.

U.S. District Chief Judge Garrett E. Brown, Jr., also ordered Brian Winters, 36, to pay approximately $5.8 million in restitution to investors whom Winters scammed into buying interests in fictitious private hedge funds. Judge Brown continued Winters' release on a $200,000 unsecured bond pending his surrender to authorities with the U.S. Bureau of Prison within 30 days.

Winters made his first appearance in federal court and pleaded guilty before Judge Brown on April 1, 2008, to a one-count Information. At his plea hearing, Winters admitted that during the tax years 2002 and 2003, he owned and operated Global Trading Investments ("GTI") and the Wyndham Group ("WG"), both located in Lacey Township.

Winters admitted that through GTI and WG, he sold interests in fictitious private hedge funds to investors and then commingled the investment funds in his business accounts. Winters withdrew and used the investment funds for his own personal use.

In January 2004, Winters filed a U.S. Individual Income Tax Return, Form 1040, for tax year 2002, which stated his taxable income for that year was $96,787. Winters admitted that he failed to disclose and report additional taxable income from the fraudulent scheme of approximately $481,402, upon which an additional tax of approximately $187,413 was due the United States. Winters also admitted that he engaged in a similar course of relevant conduct with regard to tax year 2003, during which he failed to pay an additional tax of $751,716 due the United States.

As part of Winters' plea agreement, he agreed to be responsible for restitution to the victim-investors of GTI and WG. The State of New Jersey is prosecuting Winters for his scheme to defraud his clients.

In determining the actual sentence, Judge Brown consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents with the Internal Revenue Service, under the direction of

Special Agent in Charge William P. Offord, and the United States Postal Inspection Service, under the direction of Inspector in Charge David L. Collins, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney John J. Hoffman of the Criminal Division in Trenton.

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Defense Attorney: David Schafer, Esq. Assistant Federal Public Defender