

NEWS

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FOR IMMEDIATE RELEASE
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Financial Account Manager Admits Defrauding Investors of More than \$1.2 Million

(More)

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CAMDEN – A former financial account manager pleaded guilty today to charges of mail fraud and money laundering; admitting he defrauded his clients of at least \$1.2 million, Acting U.S. Attorney Ralph J. Marra, Jr., announced.

Phillip D'Hedouville, 41, Galloway, pleaded guilty before U.S. District Judge Jerome B. Simandle to a two-count Information, which charges him with one count each of mail fraud and money laundering. Judge Simandle continued the defendant's detention pending sentencing, which is scheduled for Dec. 4.

At his plea hearing, D'Hedouville stated that from as early as August 2006 until January 2008 he was employed as a financial representative or account manager for companies that specialized in managing client retirement accounts. As such, D'Hedouville's duties included managing the retirement accounts of various clients, many of whom were teachers or otherwise employed in, or retired from, the education field.

D'Hedouville admitted that during this time period he solicited money from his clients by telling them that they could receive better investment returns if they would withdraw money from their retirement accounts and let him place that money in stock market investments. Despite D'Hedouville's stated purpose of making stock market investments, he did not invest his clients' money as promised, D'Hedouville admitted.

Instead, D'Hedouville admitted he used his clients' money for his own personal benefit rather than actually depositing the money into his clients' brokerage accounts. D'Hedouville admitted he obtained at least \$1.2 million from his clients and then diverted the money to his own personal use and benefit, which included the purchase of a new house.

In pleading guilty to the mail fraud charge, D'Hedouville admitted that he sent brokerage account applications by mail to a number of his clients, which the clients then completed and mailed back to him.

In regards to the money laundering count, D'Hedouville admitted that on June 25, 2007, he engaged in a monetary transaction involving criminally derived property when he submitted a \$90,000 check to Coastal Development Group for the purchase of the new house. D'Hedouville admitted that the funds used to back the check were the ill-gotten gains of his fraudulent investment scheme.

The charge of mail fraud carries a maximum statutory penalty of 20 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to the defendant. The charge of money laundering carries a maximum statutory penalty of 10 years in prison and a fine of \$250,000 or twice the aggregate loss to the victims or gain to the defendant

In determining an actual sentence, Judge Simandle will consult 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.

Marra credited Special Agents of the FBI, under the direction Special Agent in Charge Weysan Dun, and the IRS Criminal Investigation, under the direction of Special Agent in Charge William P. Offord, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Howard Wiener of the Criminal Division in Camden.

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Defense Attorney: Maggie Moy, Esq. Assistant Federal Public Defender