



*United States Attorney
Southern District of New York*



**FOR IMMEDIATE RELEASE
SEPTEMBER 14, 2010**

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**NEW JERSEY WOMAN PLEADS GUILTY IN MANHATTAN FEDERAL
COURT TO OPERATING \$45 MILLION REAL ESTATE INVESTMENT
PONZI SCHEME**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that ANTOINETTE HODGSON pled guilty today to conspiracy to commit wire fraud and wire fraud in connection with her operation of a \$45 million Ponzi scheme that fraudulently solicited investments in real estate from over twenty New York and New Jersey investors. HODGSON pled guilty to a two-count Information before U.S. Magistrate Judge RONALD L. ELLIS in Manhattan federal court.

According to the Information and statements made in court, as well as the Complaint previously filed in the case:

HODGSON solicited tens of millions of dollars from investors in New York and New Jersey on the false pretense that she would use the investors' money to purchase and/or renovate residential real estate properties, and then re-sell the properties to third party buyers or rent them for a period of time before re-selling them. HODGSON promised investors high rates of return on their investments, which she represented were based on the profits generated by her successful real estate business.

In truth and in fact, however, HODGSON, misappropriated tens of millions of dollars of investors' funds, and used those funds to repay other investors or for her own purposes. Between 2006 and 2009, HODGSON solicited approximately \$45 million from investors who understood, based on HODGSON's representations, that they were investing in her real estate business. During the same period, HODGSON only spent approximately \$6 million on residential real estate. Most of the \$45 million she received from investors was immediately used to repay other investors, in the pattern of a classic Ponzi scheme.

Some of the investor money was used to enrich HODGSON and her family members. HODGSON spent hundreds of thousands of dollars at casinos in Atlantic City and Las Vegas, invested over \$700,000 in a Dunkin' Donuts franchise in Arizona, and gave tens of thousands of dollars to friends and family members.

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As a result of her guilty plea today, HODGSON, 58, of Montclair, New Jersey, faces a maximum penalty of 40 years in prison and a maximum fine of \$500,000, or twice the gross gain or loss derived from the offense. In addition, HODGSON has agreed to forfeit her interest in 24 properties that she purchased as part of the scheme and all her right, title and interest in the Arizona Dunkin' Donuts franchise. She also agreed to forfeit \$5 million as the proceeds of her offenses.

Manhattan U.S. Attorney PREET BHARARA said: "Today's guilty plea brings cold comfort to those investors who lost millions by trusting Antoinette Hodgson's false promises. We will continue to work with our partners at the FBI to recover assets for those who lost money to Hodgson's scheme, while diligently pursuing other fraudsters peddling get-rich-quick schemes."

Mr. BHARARA praised the investigative work of the FBI.

If you believe you were a victim of these crimes, including a victim entitled to restitution, and you wish to provide information to law enforcement and/or receive notice of future developments in the case or additional information, please contact Wendy Olsen-Clancy, the Victim Witness Coordinator at the United States Attorney's Office for the Southern District of New York, at (866) 874-8900, or Wendy.Olsen@usdoj.gov. For additional information, go to: <http://www.usdoj.gov/usao/nys/victimwitness.html>

This case was brought in coordination with President BARACK OBAMA's Financial Fraud Enforcement Task Force, on which Mr. BHARARA serves as a Co-Chair of the Securities and Commodities Fraud Working Group. President OBAMA established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated, and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task

force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

This case is being prosecuted by the Office's Complex Frauds Unit. Assistant U.S. Attorneys ANTONIA M. APPS and AMANDA KRAMER are in charge of the prosecution.

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