



U.S. Department of Justice

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NEWS RELEASE

MOWEN PLEADS GUILTY TO WIRE FRAUD IN CONNECTION WITH PONZI SCHEME

PLEA AGREEMENT CALLS FOR 10-YEAR SENTENCE AND PAYMENT OF FULL RESTITUTION

SALT LAKE CITY – Jeffrey Lane Mowen, age 48, of Lindon, pleaded guilty in federal court Thursday afternoon to one count of wire fraud in connection with a foreign currency trading program operating under a fraudulent financial arrangement commonly known as a Ponzi scheme. Investor returns in Ponzi schemes are drawn from new and old investor funds.

Federal prosecutors said Mowen's plea to the wire fraud count is representative of the criminal conduct charged in the overall scheme to defraud. The remaining counts in the indictment will be dismissed when Mowen is sentenced April 15, 2011, at 12:30 p.m. by U.S. District Judge Dee Benson.

The plea agreement includes a 10-year prison sentence which would be followed by five years of supervised release. Mowen also has agreed to a forfeiture judgment for the total amount of restitution to be ordered in the case and will forfeit all assets he obtained through his investment fraud,

including \$1,976,867, plus accrued interest, obtained from the sale of 165 vehicles. He also will forfeit an additional 29 vehicles; a home in Lindon; \$495,912 plus accrued interest in an annuity; and other real and personal property.

“Today’s plea agreement with Mr. Mowen was the surest way to obtain a fair and certain resolution of this case. The 10-year federal sentence included in the plea agreement holds the defendant accountable for the massive Ponzi scheme in which he defrauded more than 200 investors, and is a very significant prison sentence in a financial fraud case. It allows this office to now move forward quickly with the forfeiture of almost \$3 million in real and personal property owned by Mr. Mowen and to pay restitution to the victims of his crimes.” U.S. Attorney Carlie Christensen said today.

“This is an appropriate resolution for the victims of this crime who have suffered both financially and emotionally throughout the defendant’s scam and the government’s ensuing efforts to bring him to justice. Today’s plea agreement helps bring finality to what could have been a protracted criminal case,” U.S. Attorney Christensen said.

“The FBI is pleased to have worked with the United States Attorney’s Office to dismantle another Ponzi scheme. Mr. Mowen wasn’t operating a legitimate investment opportunity. He used his clients’ money to buy exotic cars, take personal vacations, and support a luxurious lifestyle. The FBI hopes this case serves as a reminder to Utahns to be wary of investment opportunities that sound too good to be true,” FBI Special Agent in Charge James McTighe said today.

As a part of the plea agreement, Mowen admitted that from around October 2006 to October 2008, he created the false and misleading impression that his foreign currency trading program was successful, profitable and worthy of reinvestment of returns. As a part of his scheme to defraud, Mowen admitted he made numerous representations to investors that he was a successful trader in foreign currency and would produce returns ranging from 8 to 33 percent per month.

Mowen admitted that as a part of the scheme, he made monthly Ponzi payments to investors to create the false and misleading impression that his investment program was making money as promised. In reality, he admitted he knew that all such returns were drawn from investor funds. Rather than

using investor funds for their intended purpose, Mowen admitted he used the money in various ways for his personal benefit.

Mowen received more than \$18 million from more than 200 investors for use in his investment program. Prosecutors said today about half of the money invested in the scheme was paid back to investors as Ponzi payments resulting in a net loss of between \$9 million and \$10 million.

Mowen admitted that he eventually stopped making Ponzi payments to some investors and began making a series of false excuses for the discontinued payments.

Mowen was initially indicted on three counts of wire fraud in April 2009. A superseding indictment was returned in November 2009 adding charges of solicitation to commit a crime of violence, tampering with a witness, and retaliating against a witness to the wire fraud counts.

Special agents of the FBI investigated the Mowen case. The SEC Denver Regional Office also provided assistance.

The U.S. Marshals Service in Utah conducted the auction of 194 vehicles traceable to or derived from Mowen's scheme. Federal prosecutors said today they will ask the Department of Justice for permission to convert the forfeited funds from the sale of the cars to restitution for victims of the ponzi scheme.

"Mr. Mowen's complicated legal strategy made the auctioning of his numerous vehicles a significant challenge. However, it was a challenge that the U.S. Marshals welcomed. It was very satisfying to us to know that we were helping to recover as much money as we could for the victims of Mr. Mowen's crimes," James Thompson, U.S. Marshal for Utah, said.

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