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FOLSOM MAN INDICTED FOR PONZI-TYPE FRAUD

SACRAMENTO—United States Attorney McGregor W. Scott, FBI Special Agent in Charge Drew S. Parenti, and IRS Special Agent in Charge Scott O'Briant announced today that a federal grand jury returned a 30-count indictment charging STEFAN A. WILSON, 44, of Folsom, with 16 counts of wire fraud, three counts of mail fraud, six counts of money laundering, five counts of monetary transactions in criminally derived property, and one count of tax evasion. The indictment also contains a criminal forfeiture allegation. The charges stem from WILSON's operation of an investment scheme called CIC Investment Fund.

This case is the product of an extensive investigation by the Federal Bureau of Investigation and the Internal Revenue Service.

According to Assistant United States Attorneys R. Steven Lapham and Russell L. Carlberg, who are prosecuting the case, the indictment alleges that WILSON solicited money from investors with the promise of an 18–24 percent return on their money, and that he encouraged prospective investors to refinance their homes in order to come up with the money to invest. The indictment charges that to lure prospective investors, WILSON and others acting at WILSON's direction, represented to investors that the CIC Investment Fund was extremely profitable, and the return on investment generated by the CIC Investment Fund was more than sufficient to pay the promised rates of return plus a profit to the managers of the fund. The indictment charges that WILSON would often be accompanied by a mortgage broker who would offer to handle the refinancing.

In fact, the CIC Investment Fund had done very poorly. The indictment charges that between February 2006 and February 2008, WILSON collected approximately \$13 million from investors. WILSON placed approximately \$6.5 million of these funds into a brokerage account which he used to buy and sell stock. Virtually all of that money was lost in stock trading. According to a separate criminal complaint filed on February 27, 2008, by July 2007, the CIC Investment Fund had suffered a 99.42 percent decline in its value, leaving a balance of only \$30,000. The indictment charges that despite these staggering losses, WILSON continued to represent to investors that the fund was doing well and caused monthly statements and checks to be sent to investors showing that they were receiving the promised return.

The indictment charges that the funds that were not deposited in the brokerage account were left in a bank account that WILSON used to make lulling payments to investors and to pay for a lavish lifestyle. According to a separate criminal complaint, WILSON used this money on a \$400,000 down payment on his personal residence in Folsom, a \$118,000 down payment on a Lamborghini, a \$90,000 down payment on a boat, and to purchase a \$25,000 diamond ring. WILSON also used investor money to make his

monthly mortgage payment and to pay for typical household expenses. Because WILSON did not declare any of this income on his 2006 tax return, he is charged with filing a false income tax return for that year.

The indictment contains a forfeiture count that, upon conviction, would require WILSON to surrender assets traceable to the fraud.

The maximum statutory penalty for the indicted charges are as follows: wire fraud, 20 years for each count; mail fraud, 20 years for each count; money laundering, 20 years on each count; monetary transactions in criminally derived property, ten years on each count; and subscribing to a false income tax return, three years. However, the actual sentence will be dictated by the Federal Sentencing Guidelines, which take into account a number of factors, and will be imposed at the discretion of the court.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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