

NEWS

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Atlantic County Financial Advisor Sentenced to 97 Months for
Defrauding Clients out of more than \$1.2 million

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CAMDEN – An Atlantic County financial advisor was sentenced today to 97 months in federal prison for defrauding clients out of more than \$1.2 million, U.S. Attorney Paul J. Fishman announced today.

U.S. District Judge Jerome B. Simandle also ordered Phillip D'Hedouville, 42, of Galloway Township, to pay restitution to over 60 victims. The Judge postponed the final determination of restitution to May 19, 2010 so that some outstanding issues can be resolved. D'Hedouville has been incarcerated since August 8, 2008 after he was arrested on charges of operating the Ponzi-type scheme.

D'Hedouville pleaded guilty in July 2009 to mail fraud and money laundering. When he was arrested, the U.S. Attorney's Office learned that the New Jersey Attorney General's Office had also been investigating D'Hedouville. The two offices then joined forces, and D'Hedouville also pled guilty to a state charge connected to his fraudulent scheme. He will be sentenced on that charge in late March, Fishman said.

As part of his guilty plea, D'Hedouville acknowledged 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 scores of clients, many of whom were teachers or otherwise employed in, or retired from, the education field.

D'Hedouville admitted that, during that 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 representations, he did not invest his clients' money as promised, Fishman stated.

Instead, D'Hedouville used his clients' money for his own personal benefit. He admitted that 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 regards to the money laundering count, D'Hedouville admitted that on June 25, 2007, he engaged in a transaction involving criminally derived property when he submitted a \$90,000 check to a real estate developer for the purchase of a new house. D'Hedouville admitted that the funds used to back the check were some of the ill-gotten gains of his fraudulent investment scheme.

In determining the actual sentence, Judge Simandle consulted the advisory United States 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.

Fishman credited Special Agents of the Federal Bureau of Investigation, under the direction of Kevin Cruise, Acting Special Agent in Charge in Newark, and agents of the Internal Revenue Service - Criminal Investigation, under the direction of William P. Offord, Special Agent in Charge in Newark, for this successful investigation.

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

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Defense Counsel: Maggie Moy, Esq., Assistant Federal Public Defender, Camden