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**PRESIDENT OF REAL ESTATE INVESTMENT FIRM
PLEADS GUILTY TO MULTI-MILLION DOLLAR FRAUD CHARGES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced that WILSON JAMES BASTON, JR., a/k/a "Wil James," a/k/a "Will James," pleaded guilty today to mail fraud and wire fraud charges in connection with a scheme which defrauded victims out of millions of dollars. The victims invested funds in Will James Equity Partners, Inc., which purported to be a real estate investment program that purchased distressed properties in the New York City area as investment vehicles for long and short-term investors. According to documents filed in this case and statements made during today's guilty plea proceeding:

From 2002 to the present, BASTON recruited over seventy investors through false promises of guaranteed short-term, high rates of return on investments in distressed properties, with additional guarantees on the principal investment. BASTON recruited investors in Will James Equity Partners, Inc., through a variety of means, including "word-of-mouth" referrals, classified advertisements in newspapers such as the New York Times, and promotional literature. According to a promotional brochure, Will James Equity Partners, Inc. purchased so-called "pre-foreclosure" property using funds from "a variety of equity partners," with terms determined on an individualized, venture-by-venture basis. The brochure stated that, "equity partners are securitized by first mortgages on the property; paid interest at above market rates; and receive their full equity loan in a balloon payment together with an agreed upon bonus at the sale of the renovated property." BASTON documented the terms of these investments in "Promissory Notes," in which he promised to pay interest rates, often as high as twenty or thirty percent, to the investors along with a guaranteed return on their principal balance within short periods of time, often thirty days or less.

On many occasions, BASTON initially repaid both the invested principal and interest as promised. Because victims believed these initial "investments" were successful, many victims thereafter agreed to roll over their invested funds into new investments, or to invest additional, larger sums of money in the scheme. To make these initial payments to new victims, BASTON used funds from other investors, rather than from purchasing, renovating, and "flipping" or reselling "pre-foreclosure" properties as he had described to investors.

Once the victims invested a significant amount of money in Will James Equity Partners, Inc., BASTON ceased paying them the promised interest and did not return their principal. Eventually, when the victims began to complain to BASTON that he had deceived them, BASTON employed a variety of lulling tactics and avoided responding to their calls and inquiries. BASTON specifically instructed his remaining staff members to deflect inquiries from victims in order to avoid them. When BASTON was unable to avoid these victims, he gave false explanations as to why they had not been paid. Despite his claims to victims that Will James Equity Partners, Inc. had financial difficulties and was unable to pay back its current investors, BASTON continued to recruit new investors in Will James Equity Partners, Inc., by falsely representing the enterprise's success. In some instances, BASTON paid the most vocal victims with the funds he received from these newer investors.

BASTON, 46, pleaded guilty to a seventeen-count Indictment before United States Magistrate Judge RONALD L. ELLIS in Manhattan federal court. BASTON has been in federal custody pending trial since his May 31, 2007 arrest, and will remain in custody pending sentencing, which is scheduled for June 12, 2008, before United States District Judge HAROLD BAER, JR. The 17 charges to which BASTON pleaded guilty each carry a maximum penalty of 20 years in prison, in addition to mandatory restitution to the victims of BASTON's fraud.

The case was investigated by the Criminal Investigators of the United States Attorney's Office, the United States Postal Inspection Service, and the Federal Bureau of Investigation. Mr. GARCIA praised their efforts.

Assistant United States Attorney GLEN G. MCGORTY is in charge of the prosecution.