



*Office of the United States Attorney
Eastern District of Kentucky
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Former President of Lexington Company Sentenced to 18 Years for Multi-Million Dollar Fraud Scheme

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LEXINGTON — The former president of a Lexington-based company was sentenced today to 18 years in prison for defrauding thousands of investors nationwide out of more than \$18 million.

U.S. Chief District Judge Jennifer B. Coffman sentenced 67-year-old James Norman Turek for committing securities fraud and tax fraud. In June, a jury convicted Turek after a two-week trial.

The evidence at trial showed that Turek headed Plasticon International, Inc., a penny stock company. Plasticon made recycled plastic products.

According to the evidence, from 2004 to 2006, Turek lured approximately 8,500 investors into purchasing Plasticon stock by falsely claiming that Plasticon was profitable when he knew that the company was losing millions of dollars. In statements to investors and in press releases, Turek also falsely claimed that the company owned valuable patents.

The evidence further demonstrated that Turek told investors he was working for nothing when in fact he was taking millions of dollars from Plasticon. Turek obtained the money by issuing billions of shares of company stock to himself. In order to execute his scheme, Turek transferred the stock into the names of friends and family members, including his deceased aunt, before selling the stock to unsuspecting investors. He also falsely claimed on backdated documents that he had previously loaned money to the company, so that payments to him looked like repayment of the loans.

The evidence also revealed that Turek filed false tax returns for the years 2003 through 2007 by failing to report approximately \$12 million that he obtained from Plasticon.

Kerry B. Harvey, United States Attorney for the Eastern District of Kentucky; Kathryn M. Keneally, Assistant Attorney General for the Tax Division, United States Department of Justice; Perrye Turner, Special Agent in Charge, Federal Bureau of Investigation; and Christopher A. Henry, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division, jointly made the announcement today.

The investigation was conducted by the FBI and the IRS Criminal Investigation Division. The U.S. Attorney's Office was represented in the case by Department of Justice Trial Attorney Kenneth C. Vert and Assistant United States Attorney John Patrick Grant.

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