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MODESTO MAN SENTENCED TO 8 YEARS IN PRISON IN MASSIVE INVESTMENT FRAUD CASE

SACRAMENTO--United States Attorney Paul L. Seave announced that LARRY W. WILCOXSON, 48, of Modesto, was sentenced today by U.S. District Court Judge David F. Levi in Sacramento to eight years in prison in connection with a massive investment fraud scheme. WILCOXSON had pleaded guilty on October 5, 2000, to six counts of money laundering, relating to the diversion of funds invested in IFR Trust, an entity controlled by WILCOXSON. WILCOXSON was also ordered to serve a three year term of supervised release following his prison sentence. Parole has been abolished in the federal criminal system, and WILCOXSON will be required by law to serve at least 85% of the prison time imposed.

A second defendant, C. WILLIAM GORDIN, a Modesto accountant, is scheduled to be sentenced by Judge Levi on February 1, 2001. He pleaded guilty on October 5, 2000, to misprision of felony. A third defendant, JOHN R. WITZKE, 50, also of Modesto, was sentenced on October 19, 2000, to a year in prison, to be followed by three years of supervised release, including 100 hours of community service. Charges against a fourth defendant, WILCOXSON's wife, ROXANNE ALBAUGH, 44, also of Modesto, were dismissed today.

A fifth defendant, DAVID BAXTER, 59, of East Yorkshire in the United Kingdom, was arrested in Britain on January 10, 2001, on charges arising from this case. He was released on bail, after surrendering his passport, pending further extradition proceedings in Britain.

In a related case, VELTON ROGERS, 67, also of Modesto, was indicted August 30, 2000, on two counts of mail fraud, five counts of wire fraud, six counts of money laundering, three counts of structuring financial transactions, and one count of forfeiture. He is alleged to have recruited investors for WILCOXSON and IFR Trust. Assistant U.S. Attorney Benjamin B. Wagner, who is prosecuting the case, noted that the indictments against BAXTER and ROGERS were only accusations, and that these defendants are presumed innocent until proven guilty.

Robb Evans has been appointed by the Court as a trustee to locate and take possession of any remaining assets arising from the IFR Trust investment fraud scheme. The trustee is currently investigating. Both WILCOXSON and GORDIN were required as a condition of their plea agreements to cooperate with the trustee. The court-appointed trustee can be reached at: Robb Evans, Trustee, P.O. Box 880, Sun Valley, California 91353. The trustee's Email address is ifr@robbevans.com. The trustee has also established a website and hotline. The trustee's website is: www.robbevans.com. The hotline is (818) 768-8906.

According to Mr. Wagner this case was one of the largest investment fraud cases ever prosecuted in the Eastern District of California, and involved the marketing of investments in what was represented to be an exclusive, high yield European trading program. The investments were marketed to hundreds of investors around the world. In his guilty plea, WILCOXSON admitted that he devised a scheme to defraud investors in late 1997, in which he, and others whom he recruited, represented to investors that they would receive profits of 50% per month. After the investments were received, WILCOXSON sent account statements to the investors showing that they had received those profits, when in fact no such profits had been received from any European trading program. WILCOXSON admitted in his plea agreement that he made payments to some investors out of funds he had received from the investors, and also used investor funds to purchase real estate, vehicles, and other items for himself and his family, and to make loans to various entities that were unrelated to any high yield European trading program.

U.S. Attorney Seave said: "The sentence imposed in this case should send a message to those who solicit investors for fraudulent investment schemes involving exotic sounding investments that are represented to be highly profitable and completely safe. They should plan on spending substantial time behind bars." Seave praised the investigative work done by the Federal Bureau of Investigation and the Criminal Investigation Division of the Internal Revenue Service, which investigated the case, assisted by the California Bureau of Investigation.
