

PRESS RELEASE

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Thursday, August 29, 2019

Treyton Thomas Sentenced to 262 Months' Imprisonment for Multi-Million Dollar Investment Fraud Scheme and Income Tax Evasion

RALEIGH – Robert J. Higdon, Jr., United States Attorney for the Eastern District of North Carolina, announces that today, United States District Judge James C. Dever III sentenced **TREYTON LEE THOMAS**, age 63, to 262 months' imprisonment for wire fraud and 60 months' imprisonment for income tax evasion, to run concurrently. Judge Dever also ordered **THOMAS** to pay approximately \$7.3 million in restitution to the victims of the investment and bank fraud schemes, the Internal Revenue Service and the United States Attorney's Office and to forfeit an additional \$7.3 million to the United States.

On November 22, 2016, **THOMAS** was charged in a 21-Count Indictment with wire fraud, bank fraud and money laundering. This Indictment charged **THOMAS**, who represented himself as a successful Harvard educated investment advisor, with defrauding his father's used car warranty company, NC&VA Warranty of Roxboro, N.C., several of its customers, his wife, and his father-in-law. **THOMAS** claimed he was conservatively investing their money in U.S. Treasury Bills. Instead, through an on-line brokerage firm, **THOMAS** used these funds to conduct risky trades in the commodities and futures market. To conceal this fraud scheme, **THOMAS** provided these victims and various financial institutions with false information and fabricated bank and brokerage statements. To obtain additional funds, the Indictment charged **THOMAS** with using the same false information and fabricated statements to defraud financial institutions out of approximately 1.9 million dollars in loan proceeds. In addition to losing the victims' money in risky trades, the Indictment charged **THOMAS** with spending more than 1.6 million dollars to pay personal expenses.

On March 15, 2018, **THOMAS** was charged in another Indictment with six counts of income tax evasion for the calendar years 2010 through 2015 and two counts of failing to disclose his interest in and authority over foreign bank accounts. According to court records, **THOMAS** failed to file United States Income Tax Returns (Forms 1040) or pay taxes for two decades. To conceal his income, **THOMAS** used offshore entities, in the Cayman Islands, the British Virgin Islands and Nevis, and employed individuals from offshore corporation management companies to act as his nominee in numerous business ventures. These foreigners opened and managed bank accounts through which **THOMAS** moved the victims' funds in and out of the United States. Additionally, **THOMAS** created fake or "ghost" employees to make it appear that he operated a large, successful investment fund. To conceal his own identity, **THOMAS** used aliases or variations of his given name.

The Court agreed with the Government that **THOMAS** had attempted to obstruct justice and was not entitled to a reduced sentence for acceptance of responsibility even though he pled guilty.

Several victims spoke at the sentencing hearing, describing the financial and emotional toll **THOMAS'** crimes had caused.

Investigation of this case was conducted by the Federal Deposit Insurance Corporation-Office of the Inspector General, the Internal Revenue Service Criminal Investigations, and the United States Secret Service. Assistant United States Attorneys Susan Menzer and John Harris represented the government in this case.

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