

# **Baltimore And Texas Men Indicted For Alleged \$364 Million Ponzi Scheme—One Of The Largest Ever Charged In Maryland**

## **Scheme Believed to Have Over 400 Victims Nationwide, Including Individual, Family Offices, and Investment Groups – FBI Seeking Information Regarding Additional Victims; SEC has Filed Related Civil Complaint**

**Baltimore**, Maryland – A federal grand jury has indicted three men on charges of conspiracy, wire fraud, identity theft, and money laundering, arising from an alleged \$364 million investment fraud scheme. The indictment was returned under seal on September 11, 2018, and unsealed on September 18, 2018, upon the arrests of the defendants. Charged in the indictment are:

Kevin B. Merrill, age 53, of Towson, Maryland;

Jay B. Ledford, age 54, of Westlake, Texas and Las Vegas, Nevada; and

Cameron R. Jezierski, age 28, of Fort Worth, Texas.

The indictment was announced by United States Attorney for the District of Maryland Robert K. Hur and Special Agent in Charge Gordon B. Johnson of the Federal Bureau of Investigation, Baltimore Field Office. A related enforcement action and complaint was announced by the U.S. Securities and Exchange Commission Co-Director of Enforcement Stephanie Avakian.

“Federal prosecutors, FBI agents, and our SEC partners together interrupted an ongoing fraud scheme, with the potential to victimize even more people. According to the indictment, the defendants lured investors through an elaborate web of lies, duping them into paying millions of dollars into this Ponzi scheme,” said U.S. Attorney Robert K. Hur. “Most of these investors are just learning that they have been victimized. The effects of this kind of fraud can be devastating. We urge anyone who thinks they may be a victim to contact the FBI at [MerrillLedford@fbi.gov](mailto:MerrillLedford@fbi.gov)(link sends e-mail).”

“The FBI takes our responsibility to investigate and pursue those who commit fraud for personal gain very seriously,” said Special Agent in Charge Gordon B. Johnson of the FBI’s Baltimore Division. “We will continue working with our law enforcement partners to hold accountable those who use illegal means and criminal behavior to take advantage of others. We are committed to protecting investors from the illegal and deceptive practices Mr. Merrill and Ledford used to defraud investors out of their hard earned money and savings.”

According to the fourteen-count indictment, beginning in January 2013, the defendants perpetrated a Ponzi scheme to defraud investors of more than \$364 million. The scheme was revealed with the arrests and unsealing of the indictment. Specifically, the indictment alleges that Merrill and Ledford invited investors to join them in purchasing consumer debt portfolios. “Consumer debt portfolios” are defaulted consumer debts to banks/credit card issuers, student loan lenders, and car/truck financiers which are sold in batches called “portfolios” to third parties which attempt to collect on the debts. The defendants falsely represented to investors that they would use the investors’ money to buy consumer debt portfolios and make money for them by (1) collecting the payments that people made on their debts or (2) selling the portfolios for a profit to third party debt buyers--in a practice called “flipping.” According to the related complaint filed by the SEC, the victim investors included

small business owners, restaurateurs, construction contractors, retirees, doctors, lawyers, accountants, bankers, talent agents, professional athletes, and financial advisors, located in Maryland, Washington, D.C., Northern Virginia, Las Vegas, Texas, and elsewhere.

United States Attorney Robert K. Hur commended the FBI in Baltimore, Dallas, Las Vegas and Tampa, and the Federal Housing Finance Agency, Office of the Inspector General for their work in this investigation. Mr. Hur thanked Assistant U.S. Attorneys Joyce K. McDonald and Martin J. Clarke, who are prosecuting the criminal case.