



U.S. Department of Justice

*United States Attorney
Northern District of Illinois
Western Division*

*John G. McKenzie
Assistant U.S. Attorney*

*308 West State Street - Room 300
Rockford, Illinois 61101*

*PH: (815) 987-4444
FAX: (815) 987-4236*

June 16, 2003

LAS VEGAS, NEVADA WOMAN PLEADS GUILTY TO DEFRAUDING McHENRY COUNTY INVESTORS IN \$1,000,000+ FRAUD

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, THOMAS J. KNEIR, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation, and JESSE WHITE, Illinois Secretary of State, today announced:

LONETA S. CARTER, also known as “Neta Carter,” 57 (DOB: 08/08/45), of Las Vegas, Nevada, pled guilty today in federal court in Rockford to charges of wire fraud in connection with a scheme involving Nevis Investors, Ltd., in which she defrauded numerous investors of funds of more than \$1,000,000. In pleading guilty, Carter acknowledged that she had devised and engaged in a scheme to defraud numerous individuals of more than \$1,000,000 by falsely promising to invest their money in various high-yield investments. Instead, the plea agreement states, Carter secretly converted a substantial portion of the investor’s money to her own use.

Carter admitted in the plea agreement that she had represented she was the “Managing Director” of an “investment club” by the name of Nevis Investors, Ltd. She made, according to her plea, false representations to solicit money from prospective investors to wire transfer funds to her bank accounts in Cedar City, Utah, and Las Vegas, Nevada. Carter promised, the plea agreement states, to pool together investor’s funds and invest in off-shore trading programs that would result in investors receiving profits on their initial investments of as much as 50% per month. Instead of using the investors’ funds to invest, the plea agreement states, Carter used substantial amounts of the investors’ monies to pay for personal expenses, including tuition for private schools for her children, making payments to purchase real property, and paying her personal debts and credit card bills. Carter admitted in her plea agreement that in order to stall investors from going to the authorities, she had used new investors’ funds to pay previous investors who had complained or had threatened to complain to regulatory and law enforcement officers.

Sentencing for Carter will be conducted on September 3, 2003, at 1100 a.m. Carter faces a maximum sentence of up to five years of imprisonment, and a fine of up to \$250,000 or the greater of twice the gross gain to Carter or twice the gross loss to the victims, on each count. Therefore, Carter faces a total potential sentence of up to 70 years of imprisonment,

a \$56,000,000 fine, in addition to a period of supervised release of at least two and up to three years following imprisonment. Her actual sentence will be determined by the United States District Court, guided by the United States Sentencing Guidelines.

The case was investigated by Special Agents of the Federal Bureau of Investigation, the Illinois Securities Department, the Utah State Division of Securities, and the Cedar City, Utah Police Department. The case is being prosecuted in federal court by Assistant United States Attorneys John G. McKenzie and Joseph C. Pedersen.

#####