



## U.S. Department of Justice

### *United States Attorney District of Idaho*

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## **NEWS RELEASE**

**FOR IMMEDIATE RELEASE  
ON APRIL 11, 2012**

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### **Eagle Man Indicted on Federal Charges of Wire Fraud and Theft**

BOISE – Matthew D. Hutcheson, 41, of Eagle, Idaho, was indicted on April 10, 2012, by a federal grand jury in Boise on 17 counts of wire fraud and 14 counts of theft from an employee pension benefit plan, U.S. Attorney Wendy J. Olson announced. The indictment was unsealed by the court today. Hutcheson was arrested this morning by the FBI with assistance from the Ada County Sheriff's Office. His initial appearance in United States District Court is set for Thursday, April 12, at 10:00 a.m. MDT.

The indictment alleges that Hutcheson was a trustee and fiduciary for a number of multiple employer pension plans, including the G Fiduciary Retirement Income Security Plan (the "G Fid Plan"), National Retirement Security Plan 401(k) (the "NRSP"), and the Retirement Security Plan & Trust (the "RSPT"). As a trustee and fiduciary, he owed a duty to plan participants to act solely in their interests and to safeguard plan assets, and to refrain from engaging in self-dealing and other prohibited transactions. The indictment alleges that beginning in 2010, Hutcheson perpetrated schemes to defraud the G Fid and RSPT plans, and misappropriate over \$5 million of plan assets.

According to the indictment, from January 2010 through December 2010, Hutcheson allegedly misappropriated approximately \$2,031,688 of G Fid Plan assets for his personal use. On twelve occasions, Hutcheson directed the G Fid Plan record keeper to effect wire transfers of plan assets from the G Fid Plan account at Charles Schwab to bank accounts controlled by Hutcheson and to other bank accounts for his personal benefit. The indictment alleges that Hutcheson used these assets to extensively renovate his personal residence, to repay personal loans, to purchase luxury automobiles, motorcycles, all-terrain vehicles, and a tractor, and for other personal expenses. When G Fid Plan clients, plan record keepers, and others requested information about the location and status of the plan assets, Hutcheson allegedly misrepresented that they were safely invested.

Additionally, according to the indictment, from January 2010 through December 2010 , Hutcheson is alleged to have misappropriated approximately \$3,276,000 of RSPT Plan assets to pursue the purchase of the Tamarack Resort in Donnelly, Idaho, on behalf of a limited liability corporation he controlled, called Green Valley Holdings, LLC. In December 2010, Hutcheson directed the RSPT Plan record keeper to effect a wire transfer of approximately \$3 million from the RSPT Plan to an escrow account for the benefit of Green Valley Holdings, LLC. Hutcheson directed the RSPT Plan record keeper to describe the transaction in plan records as an investment in a fixed income bank note. In reality, Hutcheson used the \$3 million to purchase a bank note secured by a majority interest in the Osprey Meadows Golf Course and Lodge at the Tamarack Resort in the name of Green Valley Holdings (not the RSPT Plan). Hutcheson later obtained a \$425,000 cash loan from a private lender in Virginia using the same bank note as collateral, and placing the lender above other creditors in case of default. When the RSPT Plan auditor questioned Hutcheson about the investment, Hutcheson told the auditor there was no plan investment in a fixed income bank note, and that he had “loaned” the money from the RSPT Plan to Green Valley Holdings. Hutcheson produced purported loan documents to the auditor, but they were allegedly fraudulent and forged. In addition, in December of 2010, Hutcheson directed the RSPT Plan record keeper to effect a wire transfer of approximately \$275,000 from the RSPT Plan to a bank account controlled by Hutcheson. Hutcheson transferred \$250,000 of this money to an escrow account at US Bank to demonstrate to the Tamarack Corporation's creditors that Green Valley Holding had the financial means to purchase the resort.

The indictment contains a forfeiture allegation seeking approximately \$5,307,688, or substitute assets, including property, valued at this amount. Each count of wire fraud is punishable by up to 20 years in prison, a maximum fine of \$250,000 or twice the gain or loss from the offense, and up to three years of supervised release. Each count of theft from an employee pension benefit plan is punishable by up to five years in prison, a maximum fine of \$250,000 or twice the gain or loss from the offense, and up to three years of supervised release.

“The U.S. Attorney's Office is committed to protecting consumers who place their trust in those charged with protecting their investments,” said Olson. “We take allegations of pension fraud very seriously. I commend the federal law enforcement officers who conducted the deliberate and detailed investigation in this case.”

“Pension plan fraud represents not only a violation of the law but a betrayal of trust,” said Assistant Secretary of Labor for Employee Benefits Security Administration Phyllis C. Borzi. “Those who provide services for workers saving for retirement must serve the best interests of those workers. The Department of Labor will continue to pursue all possible avenues to root out fraud in employee benefits management. In this case and many others we are pleased to team with the Justice Department to aggressively investigate fraudulent conduct aimed at stealing workers' hard-earned retirement savings.”

The case was investigated by the United States Department of Labor, Employee Benefits Security Administration, and the Federal Bureau of Investigation.

An indictment is a means of charging a person with criminal activity. It is not evidence. The person is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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