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# Eagle Man Sentenced to Over 17 Years in Prison for Theft from Retirement Plans

***Hutcheson Must Pay Fraud Victims More Than $5.3 Million in Restitution***

BOISE – A federal judge this afternoon sentenced Matthew D. Hutcheson, 41, of Eagle, Idaho, to 210 months in prison, U.S. Attorney Wendy J. Olson announced. On April 15, 2013, a jury convicted Hutcheson of 17 counts of wire fraud. U.S. District Judge William Fremming Nielsen also ordered Hutcheson to serve three years of supervised release and pay $5,307,688 in restitution to the victims.

Hutcheson is a former trustee and fiduciary for the G Fiduciary Retirement Income Security Plan (the "G Fid Plan") and the Retirement Security Plan & Trust (the "RSPT"). During the eight day trial, the government presented evidence that beginning in 2010, Hutcheson perpetrated schemes to defraud the G Fid and RSPT plans, and misappropriated over $5 million of plan assets.

The jury heard evidence that from January 2010 through December 2010, Hutcheson misappropriated just over $2 million of G Fid Plan assets for his personal use. On 12 occasions, Hutcheson directed the G Fid Plan record-keeper to wire transfer plan assets from the G Fid Plan account at Charles Schwab to bank accounts he controlled and to other bank accounts for his personal benefit. Hutcheson used these assets to extensively renovate his personal residence, including installing a pool, 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 misrepresented that they were safely invested.

The jury also heard evidence that in December 2010, Hutcheson 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 wire transfer 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 fraudulent and forged. In addition, in December of 2010, Hutcheson directed the RSPT Plan record-keeper to wire transfer $275,000 from the RSPT Plan to a bank account he controlled. 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. Later, Hutcheson spent the money for personal purposes.

After approximately three hours of deliberation, the jury found Hutcheson guilty on all counts.

In announcing today's sentence, Judge Nielsen made specific findings that Hutcheson defrauded more than 250 individual victims, used sophisticated means to commit his offenses, abused a position of private trust as a fiduciary and trustee for the plans, and willfully obstructed justice by committing perjury at trial and offering a fraudulent document into evidence.

"Mr. Hutcheson's criminal conduct had many aggravating factors that required the firm sentenced imposed by the Court today," said Olson. "Mr. Hutcheson placed his own personal interests and greed above the clients' whose retirement interests he pledged to safeguard. This office will continue to take pension fraud very seriously and hold accountable those who seek personal gain from others' hard work through fraud and deceit. I commend the federal law enforcement officers who conducted the thorough investigation and Assistant United States Attorney Ray Patricco for his outstanding prosecution of this case."

"The defendant's despicable conduct jeopardized the financial security of workers covered by these pension plans," said Assistant Secretary of Labor for Employee Benefits Security Phyllis C. Borzi. "He funded a life of luxury at the expense of hundreds of people who were just trying to save for retirement. This case is indicative of our close and continued partnership with fellow federal agencies to vigorously pursue those who abuse their positions of trust and commit crimes against employee benefit plan participants."

"Matthew Hutcheson willfully defrauded more than 250 individual investors and abused his position as trustee of their retirement plans to divert $5.3 million for his personal use," said FBI Salt Lake City Special Agent in Charge Mary Rook. "The FBI and its law enforcement partners are committed to investigating and prosecuting those who fund a luxurious lifestyle at the expense of hard-working, trusting investors. Some victims in these types of cases have their life savings tied up in fraudulent investments and never fully recover. We encourage the public to remain vigilant—check your investments; ask your investment manager hard questions; and report suspected fraud to the FBI."

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

Today's announcement is part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

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