



U.S. Department of Justice

United States Attorney's Office
Eastern District of Wisconsin

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Press Release

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Manitowoc Man Sentenced to 84 Months in Federal Prison for \$3,100,000 Ponzi Scheme That Defrauded Elderly Victims

Matthew D. Krueger, United States Attorney for the Eastern District of Wisconsin, announced today that on May 29, 2019, James A. Nickels (age 68), of Manitowoc, Wisconsin was sentenced to 84 months in federal prison for carrying out a \$3,100,000 Ponzi scheme that defrauded 37 victims, most of whom were elderly. Nickels had earlier pleaded guilty to one count of wire fraud in violation of 18 U.S.C. § 1343, and one count of money laundering in violation of 18 U.S.C. § 1957.

The information presented at the sentencing hearing showed that Nickels was a prominent member of the Manitowoc community for many years, and used that status to solicit family, friends, and neighbors, many of whom were elderly, to “invest” in his business, which was largely a Ponzi scheme. Twelve persons who had lost money, or whose deceased family members had lost money due to the fraud, gave in-person statements at the sentencing, explaining the financial and emotional harm and sense of betrayal that the defendant’s actions caused them.

In pronouncing sentence, Chief United States District Court Judge William C. Griesbach described the defendant’s actions as “a scam” whose victims were vulnerable. He stated that the defendant had committed an “evil, horrible” crime that was “grotesque” and had “high impact.” The Chief Judge further reprimanded the defendant for a lack of remorse, saying that this was not a matter of business plans not working out, but a “deliberate, sophisticated effort to defraud” that was “not an aberration.” The Chief Judge further stated that Nickels’ conduct was a “betrayal of trust” of friends and family that gained him a great benefit, and that the magnitude of the offense was a “huge aggravating factor” requiring a sentence that both punished and deterred.

“As a society, we have an obligation to protect our older members from predators,” said U.S. Attorney Krueger. “This seven-year sentence sends a clear message that taking advantage of elderly persons will be met with severe punishment. This case highlights the Department of Justice’s commitment to working with state and local partners to combat elder fraud.”

“When scammers like James Nickels take advantage of honest citizens who are simply looking to invest their hard-earned savings and retirement funds for a better life, it’s not only reprehensible, but devastating,” stated Special Agent in Charge Tara Sullivan of IRS Criminal Investigation, Chicago Field Office. “Today’s 84-month sentencing demonstrates how federal law enforcement works together to help stop the criminal behavior of those who prey on innocent investors in order to enrich themselves.”

IRS Criminal Investigation and the Wisconsin Department of Financial Institutions investigated the case. Jan Klika provided victim-witness support. Assistant U.S. Attorneys Zachary J. Corey and Stephen A. Ingraham prosecuted the case.

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