



# Department of Justice

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## **PONTE VEDRA BEACH MAN SENTENCED IN PROPERTY INVESTMENT SCHEME**

Jacksonville, Florida - U.S. District Judge Henry Lee Adams, Jr., today sentenced Lawrence Eric Leins, age 52, to 57 months' imprisonment, entered a personal money judgment of \$1,953,500.00, and ordered restitution of \$1,905,000.00 to the victims of Leins' fraudulent real estate investment scheme. Leins pleaded guilty to wire fraud on May 20, 2008.

According to court documents, between 2002 and October 2007, Leins devised a fraudulent property investment scheme in residential real estate in Prague, Czech Republic. Leins, an independent businessman, told investors they could purchase units of ownership in the Czech Republic Property Fund, S.R.O. ("CRPF") for \$50,000.00 each. The assets that CRPF supposedly owned were investment residential real estate apartments in Prague, Czech Republic. Leins told the investors that they would obtain returns on their investments as CRPF acquired rental properties and the rent would allow CRPF to pay dividends to its investors.

To perpetrate the fraud, Leins created a detailed financial prospectus concerning the CRPF and represented therein that investors could expect an 11% per annum return. The investors Leins initially targeted were friends he knew on a social level when Leins lived in Orlando, Florida. Leins also directed his investors to an internet website detailing CRPF and the nature of the investment. The internet website contained the annual reports

of CRPF. Leins also created documents listing the addresses and market values for each rental property CRPF purportedly owned in Prague. The documents showed the fictitious purchase price for each residential unit and the name of the "tenants." Leins obtained names of various individuals and real estate listings by reading Prague newspapers. Leins used the names and addresses of the various real estate parcels in his CRPF publications to dupe investors into believing the parcels were legitimate rental properties.

The investors sent, via interstate wire, United States Mail and otherwise, funds to Leins for investment into CRPF. When investors bought "shares" of CRPF, Leins issued quarterly reports concerning the real estate investment, which showed a positive return, and sent them through the United States Mail and private mail carriers to investors. When Leins received investment funds, he did not invest the money in any property investment. Leins subsidized his own lifestyle and purchased various assets, including a \$1.2 million home in Ponte Vedra Beach, Florida.

Leins forfeited his interest in the home with a number of various other assets, including two cars and a boat. Those items will be liquidated and the proceeds refunded to the victims of the fraud.

The case was investigated by the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorneys A. Tysen Duvá and Bonnie A. Globber.