



Department of Justice

United States Attorney Robert E. O'Neill
Middle District of Florida

Tampa

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CONTACT: STEVE COLE

PHONE: (813) 274-6136

FAX: (813) 274-6300

PONTE VEDRA BEACH MAN INDICTED IN CZECH REPUBLIC PROPERTY INVESTMENT SCHEME

Jacksonville, Florida - United States Attorney Robert E. O'Neill today announced the return of an indictment of Lawrence Eric Leins, a 52 year old resident of Ponte Vedra Beach, Florida, charging him with seven counts of wire fraud and three counts of mail fraud. The maximum penalty Leins faces, if convicted, is 20 years' imprisonment on each count and a fine of \$2.5 million. Leins also faces payment of full restitution to victims of the alleged fraud.

According to the indictment, between 2002 and October 2007, Leins devised a fraudulent property investment scheme in purported residential real estate in Prague, Czech Republic. Leins, an independent businessman, represented to investors that his domestic corporation, TechniKraft, LLC, had an affiliated foreign corporation in the Czech Republic (the Czech Republic Property Fund, S.R.O., "CRPF"), and that investors could purchase units of ownership in the CRPF for \$50,000.00 each. The assets that CRPF allegedly owned were investment residential real estate flats (or apartments) in Prague, Czech Republic. To pitch the investment to potential investors, Leins created a detailed financial prospectus concerning the CRPF and represented that investors could expect an 11% per annum return. Leins also directed investors to an internet website detailing

CRPF and the nature of the investment. The internet website contained the annual reports of CRPF. 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. Instead, with the money, he subsidized his own lifestyle and purchased various assets, including, via a cash closing, a residential property in Ponte Vedra Beach, Florida for \$1.2 million.

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

An indictment is merely a formal charge that a defendant has committed a violation of the federal criminal laws, and every defendant is presumed innocent until, and unless, proven guilty.
