

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California***

***United States Attorney  
Karen P. Hewitt***

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***For Immediate Release***

### **HEDGE FUND MANAGER SENTENCED TO 60 MONTHS**

#### **NEWS RELEASE SUMMARY - October 20, 2008**

San Diego, CA - United States Attorney Karen Hewitt announced that Paul Henrie Levy was sentenced to serve 60 months in prison by United States District Court Judge Roger T. Benitez in connection with Levy's participation in a scheme to defraud investors in the Global Money Management (GMM) hedge fund out of approximately \$49 million.

According to Assistant United States Attorney Faith Devine, who prosecuted the case, Levy was charged in an indictment with, among other things: diverting investor funds from the GMM hedge fund for his own personal benefit or entities that he controlled; disseminating false and misleading account statements and partnership tax returns that overstated the performance of the GMM hedge fund; using new GMM investor money to pay fictitious returns to old GMM investors in order to induce those investors to send money to GMM and/or not withdraw funds the investors had already invested; and failing to report the diverted investor funds on his tax returns.

On July 22, 2008, Levy pled guilty to one count of conspiracy to commit mail and wire fraud and to defraud the United States in violation of Title 18, United States Code, Section 371. Judge Benitez also ordered Levy to make restitution in an amount to be determined by the Court at a later date.

United States Attorney Hewitt said, “We are gratified that Levy will spend the next five years in prison for his crimes. He defrauded the Global Money Management hedge fund of millions of dollars and betrayed the trust of these investors; his conduct fully warranted the punishment he has received.”

FBI Special Agent in Charge Keith Slotter commented, “Today's sentencing marks the end of one man's fraudulent and egregious criminal activity. Unfortunately, there are many more crooks preying on investors, but the FBI and our federal counterparts remain committed to protecting the American people from these types of schemes.”

“Today's sentencing of Mr. Levy demonstrates to the public that IRS Criminal Investigation will continue to dedicate its financial expertise to pursuing individuals who prey on unwitting investors for their own financial gain,” said Catherine D. Tucker, Acting Special Agent in Charge, IRS-Criminal Investigation, Los Angeles Field Office. “Our special agents are dedicated to aggressively working investor fraud investigations and ensuring the public's confidence in our tax system.”

**DEFENDANT**

**Case Number: 05cr1010-BEN**

Paul Henrie Levy

**SUMMARY OF CHARGES**

Count 1: Conspiracy (Title 18, United States Code, Section 371)

**AGENCIES**

Federal Bureau of Investigation

Internal Revenue Service - Criminal Investigation