

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

***San Diego, California***

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Karen P. Hewitt***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - June 4, 2007

United States Attorney Karen P. Hewitt announced that Will O. Washburn, charged as William O. Washburn, was sentenced today in federal court in San Diego following his guilty pleas to wire fraud and tax evasion. United States District Judge Thomas J. Whelan sentenced Washburn to serve 87 months in custody, to pay restitution to the victims of his wire fraud scheme (the total amount will be determined within sixty days, but is expected to be more than \$2 million), and to serve a three-year term of supervised release following his release from prison.

According to court documents, Washburn's scheme to defraud senior citizens involved his creation of the Pacific Income Fund II ("PIF"), which Washburn falsely represented to investors was formed primarily to serve as a secured lender to commercial real estate developers and to corporate owners of real estate. In his guilty plea, Washburn admitted that most of the funds he received were not actually invested, but used to support his personal lifestyle and to make payments to investors in other funds that he had created.

United States Attorney Hewitt said, “This case is a stark reminder that so-called ‘white collar’ criminals pose a serious threat to our community. Today’s sentence of over seven years in federal custody is an important step in our effort to protect everyone, particularly our senior citizens, from these predators.”

United States Attorney Hewitt praised the efforts of the Federal Bureau of Investigation, the Internal Revenue Service-Criminal Investigation Division, and the United States Postal Inspection Service which jointly investigated the case.

“The prosecution of individuals who hide their income and evade taxes is a vital element in keeping the public’s confidence in our tax system. Honest taxpayers should not have to foot the bill for those who intentionally conceal income from the government and disregard our tax laws,” said Ronald Krajewski, Acting Special Agent in Charge, San Diego Field Office.

**DEFENDANT**

**Case Number: 04cr2011-W**

Will O. Washburn

**SUMMARY OF CHARGES**

Wire Fraud, in violation of Title 18, United States Code, Section 1343  
Tax Evasion, in violation of Title 26, United States Code, Section 7201

**AGENCIES**

Federal Bureau of Investigation  
Internal Revenue Service, Criminal Investigation Division  
United States Postal Inspection Service