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Framingham Man Sentenced to 102 Months for \$17 Million Ponzi Scheme

MONDAY, NOVEMBER 28, 2011

BOSTON - A Framingham man was sentenced today to 102 months in prison and ordered to pay over \$17 million in restitution for a 20-year Ponzi scheme involving more than 200 victims.

Richard Elkinson, 78, was sentenced by U.S. District Judge William G. Young to 102 months in prison to be followed by three years of supervised release and ordered to pay \$17 million in restitution, along with an \$1,800 special assessment. Elkinson pleaded guilty last April to 18 counts of mail fraud.

Elkinson had held himself out to investors as being a broker working on behalf of a Japanese clothing manufacturer selling uniforms to state government entities. Elkinson told investors that he needed their money to finance the manufacture of those uniforms. To induce people to invest, Elkinson offered them returns ranging from 9-15%, which was supposed to be paid from the proceeds of the uniform sales. The only documentation victims received were personal promissory notes from Elkinson. In fact, Elkinson was never engaged in any uniform sales business and investors' money was used to pay back earlier investors and for Elkinson's own living expenses.

Elkinson's scheme started to unravel in late 2008, mostly as a result of the publicity from the Bernard Madoff case, when some of Elkinson's investors started seeking more information and documents about the uniform business. Elkinson put them off temporarily, then fled the area in mid-December 2009, first to Las Vegas and then to Mississippi, where he was arrested at a casino.

United States Attorney Carmen M. Ortiz and Richard DesLauriers, Special Agent in Charge of the Federal Bureau of Investigation - Boston Field Division made the announcement today. The case was prosecuted by Assistant U.S. Attorneys Mark J. Balthazard and Veronica Lei of Ortiz's Economic Crimes and Asset Forfeiture Units, respectively. The investigation also received assistance from the Securities and Exchange Commission in Boston and from the Securities Division of the Massachusetts Secretary of State's Office.

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