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Johnson County Man Sentenced to 51 Months in Prison for Real Estate Scheme

OLATHE, Kan., (Apr. 13, 2017) – Kansas Securities Commissioner Josh Ney has announced the conviction of a Johnson County man who was sentenced today to 51 months in prison and ordered to pay \$70,600 in restitution. In a criminal case brought by Ney's office in the District Court of Johnson County, Joseph C. Matthews, 64, pleaded guilty to one count of level 5 nonperson felony securities fraud under the Kansas Uniform Securities Act.

Matthews defrauded at least 7 Kansas investors out of nearly \$80,000 from late 2005 through 2006 in both Johnson and Wyandotte counties through a real estate scheme he marketed to victims through local churches. He created false credibility by telling people he had attended Harvard University; had a business degree, accounting degree and a juris doctorate; and that he was a professional real estate investor and a Certified Public Accountant (CPA). At the time, he worked in retail sales and had a criminal history which included other types of fraud. Matthews used the money from victims to pay for personal expenses and to pay back previous investors, following a common practice for fraudsters called a Ponzi scheme. Matthews was located in Illinois under the alias James Mateo, his son's name.

"I'm glad Mr. Matthews has finally taken responsibility for his crimes," said Commissioner Ney. "The victims in this case were targeted by Mr. Matthews through church and other shared social settings, a tactic commonly used by fraud artists known as 'affinity fraud.' Kansans should always be aware that con men may be closer than you think. I'm thankful for the efforts of my prosecutorial and investigatory staff in bringing Mr. Matthews to justice."

Matthews was previously convicted and sentenced for securities fraud in 2015 in Wyandotte County District Court for a similar scheme. He was then sentenced to 23 months and ordered to pay victims \$7500 in restitution.

Commissioner Ney encourages Kansans to contact his office if they suspect investment fraud or have a question about whether an investment professional or security is properly registered at ksc@ks.gov or by calling 785-296-3307.

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