



Department of Justice

UNITED STATES ATTORNEY JULIA C. DUDLEY
WESTERN DISTRICT OF VIRGINIA

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CONTACT: Brian McGinn
PHONE: (540) 857-2974
FAX: (540) 857-2179
EMAIL: brian.mcgin@usdoj.gov
<http://www.usdoj.gov/usao/vaw/>

LYNCHBURG MAN PLEADS GUILTY TO RUNNING A PONZI SCHEME

Jeffrey Tuggle Bilked Investors Out Of More Than \$400,000

LYNCHBURG, VIRGINIA -- In order to fuel his gambling habit, a local man convinced investors to hand over more than \$400,000 to him for what he described as an “advance fee investment opportunity.” In reality, however, Jeffery Thomas Tuggle was doing nothing more than running a Ponzi Scheme.

Tuggle, 45, of Lynchburg, waived his right to indictment and instead pleaded guilty to a four-count Information today in U.S. District Court in Lynchburg on charges related to the scheme. The defendant entered guilty pleas to two counts of tax fraud, one count of wire fraud and one count of failing to file a tax return. He faces a maximum sentence of 27 years incarceration and/or a fine of up to \$775,000.

“Mr. Tuggle used trust and the promise of high returns to steal money from hard working, innocent people,” United States Attorney Julia C. Dudley said today. “He did all this so he could gamble. He gambled away the savings of his victims. He gambled away their futures and the futures of their children. Our office remains dedicated to finding and prosecuting all individuals who partake in any scheme where the hard earned money of innocent people is swindled away.”

According to evidence presented by Assistant United States Attorney Ronald M. Huber, between 2004 and 2006 Tuggle devised a Ponzi scheme that promised potential investors returns of between 30-40 percent. He told investors that he was working with a group of lawyers to provide their clients with immediate money based on legal claims. He said that when the clients and attorneys received their actual claims, Tuggle, and his investors, would be repaid, with interest.

However, the only thing Tuggle did with investors’ money was gamble. The defendant had admitted to gambling via the internet and on sporting events. Any and all payments Tuggle did make to investors were made with other investors’ money or gambling winnings. In all, approximately 19 investors lost more than \$400,000.

During the investigation, law enforcement officials discovered that Tuggle failed to file an income tax return for 2004. In addition, the tax returns he did file between 2005-2006 contained numerous false statements, including failing to report an accurate yearly income.

The investigation of the case was conducted by the Internal Revenue Service, the Federal Bureau of Investigation, and the Campbell County Sheriff's Office. Assistant United States Attorney Ronald M. Huber is prosecuting the case for the United States.

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