

# **Financial Management Consultant Indicted in Alleged Ponzi Scheme**

The Delaware Department of Justice Investor Protection Unit has obtained an indictment against Matthew A. Krimm, 35, of Abington, MD. The 25-count indictment includes charges of Racketeering and Securities Fraud. A Sussex County Grand Jury indicted Krimm, formerly of Rehoboth Beach, following a year-long investigation.

The indictment charges Krimm with soliciting and selling investments in his company that purportedly owned and operated a mortgage origination business. The indictment alleges that Krimm's companies did not in fact engage in any mortgage origination business. Instead, it is alleged that Krimm was running a Ponzi scheme, whereby he repaid his early investors with funds from later investors.

In addition to Racketeering, the indictment charges Krimm with eight counts of Felony Theft, eight counts of Securities Fraud, and eight counts of Selling Unregistered Securities. Delaware law prohibits misrepresentations in the sale of securities and requires that securities for sale in Delaware be registered with the State. Additionally, the federal Securities and Exchange Commission filed suit against Krimm, alleging civil violations of the federal anti-fraud and securities registration laws.

DOJ, through its Investor Protection Unit, enforces the Delaware Securities Act, which regulates the sale of investment products and the activities of investment professionals in Delaware. The unit investigates and prosecutes securities fraud and other violations of the securities act. Delaware investors are encouraged to report

suspected incidents of investment crime and fraud by calling the Attorney General's Investor Hotline at (302) 577-8424.

Deputy Attorney General William Green and Special Investigator Lester Johnson are handling this case for the Investor Protection Unit.

An indictment is merely an allegation and is not evidence of guilt. In all cases, defendants are presumed innocent until and unless proven guilty.