



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
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Ventura County Man Sentenced to 41 Months in Federal Prison in National Investment Scheme that Caused Over \$10 Million in Losses

LOS ANGELES – A Thousand Oaks man was sentenced today to 41 months in federal prison for his participation in an investment scheme that collected, in total, over \$14 million from dozens of investors around the country and caused over \$10 million in losses for those investors.

Nicholaus Skultety, 30, who was the President of Operations of American Paramount Financial, a private funding group located in Westlake Village, was sentenced by United States District Judge Percy Anderson. In addition to the prison term, Judge Anderson ordered Skultety to pay \$10.9 million in restitution to victims of the scheme.

In October of 2013, Skultety pleaded guilty to conspiracy to commit wire fraud and willful failure to file a tax return.

According to documents filed with the court, between at least January 2009 through May 2010, Skultety and other unidentified co-conspirators solicited at least 42 investors seeking loans either in person or by phone. Investors were told that their loans would be provided through American Paramount and secured by a Stand-by-Letter of Credit (SBLC) issued by Wells Fargo Bank. Investors were further told that they had to pay American Paramount an upfront lender fee of typically two percent of their requested loan amount prior to the issuance of the loan.

Investors were further told that their lender fees would be held in a secure “attorney-trust account” or in an American Paramount corporate holding account, and that the fees would be returned to the investors if the loans did not fund within 30 days of receipt of the fees.

In truth, no loans funded, Skultety and his co-conspirators did not apply for an SBLC, and Wells Fargo did not issue an SBLC for American Paramount or any of its investors. Nonetheless, Skultety and other co-conspirators transferred and withdrew the investors' fees before the expiration of the 30-day periods, and without the investors' permission.

As a result of Skultety's conspiracy, he received \$14,251,939 from 42 investors between January 2009 and May 2010. Skultety paid back \$3,937,950, thus causing a loss of \$10,313,989.

During just calendar year 2009, Skultety received at least \$1,349,595 in gross income. Skultety failed to timely file a personal federal income tax return for the 2009 tax year claiming this income. Today in court, defense counsel stated the money Skultety received from the scheme was used to support a lavish lifestyle. Skultety took 20 or more friends to the Miami Super Bowl on a private jet and took many gambling trips to Las Vegas.

Skultety is scheduled to surrender to federal custody to begin his prison term on April 15, 2014.

The investigation of Skultety was conducted by the Federal Bureau of Investigation and IRS Criminal Investigation.

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