



*United States Attorney  
Southern District of New York*

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**MAN POSING AS REAL ESTATE INVESTMENT PRINCIPAL  
CHARGED IN MULTIMILLION DOLLAR PONZI SCHEME**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and MARK J. MERSHON, the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced the arrest today of WILSON JAMES BASTON, JR., a/k/a "Wil James," a/k/a "Will James," the President and Founder of Will James Equity Partners, Inc., on charges that BASTON defrauded investors of over \$16 million. According to the two-count Complaint filed in Manhattan federal court:

In 2002, BASTON created Will James Equity Partners, Inc., which purported to be a real estate investment program which purchased distressed properties in the New York City area, as investment vehicles for long and short-term investors. A marketing/promotional brochure for Will James Equity Partners, Inc., described the enterprise as a "for-profit corporation whose purpose is to identify real estate properties which are undervalued or distressed, for investment and resale." BASTON claimed to purchase "pre-foreclosures" and distressed properties, in Brooklyn, Queens, Long Island, and Manhattan, which he would renovate as necessary, and resell at market value. According to the brochure, these purchases were funded from "a variety of equity partners," with terms determined on an individualized, venture by venture basis. According to the promotional brochure, investments in Will James Equity Partners, Inc., started at \$25,000 and could be held for "as little as 14 days or as long as 18 months." The brochure promised rates of return ranging from 10% to 30%, based on the equity in the property being acquired.

BASTON operated Will James Equity Partners, Inc., as a "classic Ponzi scheme." BASTON recruited investors by making false promises of guaranteed short-term, high rates of return on investments in distressed properties, with additional guarantees on the principal investment. After receiving preliminary investments from victims, BASTON, at least initially, repaid both interest and principal as promised. Believing Will James Equity Partners, Inc., to be legitimate and potentially profitable, and that BASTON was trustworthy, victims thereafter agreed to roll-over their invested funds into new investments, or, often, invest additional, larger sums of money in the scheme. BASTON then ceased paying the victims the promised interest and did not return the principal. Eventually, when the victims began to complain to BASTON about getting their money as promised, BASTON employed a variety of lulling tactics and avoided responding to their calls and inquiries. When BASTON was unable to avoid these victims, BASTON made false excuses and explanations as to why they had not been paid. In some instances, BASTON paid these complaining victims with the funds he received from newer investors, rather than from the proceeds of any alleged investments. BASTON obtained more than \$16 million from investors pursuant to his scheme.

The mail fraud and wire fraud charges in the Complaint each carry a maximum penalty of five years in prison, and a fine of the greatest of \$250,000, or twice the gross gain or gross loss from the offense. BASTON will be presented in United States Magistrate Court later today.

Mr. GARCIA praised the efforts of the United States Postal Inspection Service and the Federal Bureau of Investigation in the investigation of this case.

Assistant United States Attorney GLEN G. MCGORTY is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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