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## ST. LOUIS BUSINESS JOURNAL

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### Knight pleads guilty in fraud scheme

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James "Jimmy" Knight pleaded guilty to multiple fraud charges for stealing more than \$4.4 million dollars from more than 50 victims, U.S. Attorney Catherine Hanaway said Tuesday.

According to the court filing, Knight devised a scheme to defraud people out of money and property by fraudulently representing himself as an investment dealer and broker capable of investing funds in ventures that he falsely represented would yield safe and positive rates of return.

When investors demanded their funds be repaid, according to a release from Hanaway's office, Knight falsely told them that government agencies froze the purported assets and required additional money to release them. The U.S. attorney's office said that rather than investing the funds, Knight largely spent the money at casinos in Missouri and Illinois.

Knight, 57, of the 5400 block of Forrest Creek in Hazelwood, Mo., originally pleaded to charges involving this scheme **in September**.

Before and in the days following his original plea, the release said, Knight told victims that he would be incarcerated for "less than a year" at a "club in Florida," and further promised the victims that they would get their money back if they lied to law enforcement authorities. He allegedly encouraged them to hide records, including financial paperwork documenting funds that were given to him concerning their purported business dealings, suggesting to one victim that he give him the paperwork to hide. Knight admitted in plea agreements that he falsely told one victim that if he spoke with law enforcement concerning their dealings he could be arrested as part of a "conspiracy," according to the release.

Knight pleaded guilty to two felony counts of mail and wire fraud, three felony counts of interstate transportation of stolen money, one felony count of bank fraud and one felony count of credit card fraud. He appeared before U.S. District Judge Charles Shaw and remains in custody pending sentencing, which is set for March 15, 2007.

Each mail and wire fraud charge carries a maximum penalty of 20 years in prison and/or \$250,000 fine; each count of interstate transportation of stolen property and credit card fraud carries maximum of 10 years in prison and/or a \$250,000 fines; and the bank fraud charge carries a maximum of 30 years in prison and/or fines up to \$1 million. Restitution is mandatory.

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