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Two Former Business Partners Convicted on Fraud Charges

Convictions based on long-running Ponzi scheme

(Oregon City) -- Two former business partners, Jeffrey Louis Moore and Edward Michael Johnson, were recently convicted in Clackamas County for engaging in a Ponzi scheme dating back to 2001. The Department of Consumer and Business Services' Division of Finance and Corporate Securities, in conjunction with the Clackamas County District Attorney's office, prosecuted Moore and Johnson.

A Clackamas County Circuit Court Judge on Sept. 12, 2008 found Moore guilty of three counts of aggravated theft by deception and three counts of securities fraud for defrauding local investors. On Sept. 18, 2008, Moore was sentenced to 19 months in the Oregon Department of Corrections and ordered to pay \$310,000 in restitution to victims.

Johnson pleaded guilty on April 4, 2008 to one count of aggravated theft by deception and one count of selling an unlicensed security. Johnson was sentenced to three years of supervised probation and ordered to pay \$200,000 in restitution to the victim. Johnson was ordered not to have contact with any victims. On Sept. 8, 2008, Johnson was arraigned on allegations that he violated the terms of his probation. A hearing is scheduled for October 2, 2008.

Moore and Johnson operated under the business name JBS Management Group Inc., leading investors to believe that their money would be safely invested in a high-yield investment program. Investors' money was actually spent on a Lexus for Johnson, a Rose Garden Suite for Moore, and payments to earlier investors in furtherance of the Ponzi scheme. In a Ponzi scheme, scam artists use funds paid by later investors to make small payments to early investors to encourage them to invest more money.

This investigation relied upon the cooperative efforts of several agencies including the Division of Finance and Corporate Securities, Clackamas County District Attorney's Office, Clackamas County Community Corrections, the Federal Bureau of Investigation, the Internal Revenue Service-Criminal Investigation Division, the United States Attorney's Office, the Portland Police Bureau Fraud Unit, and the U.S. Immigration and Customs Enforcement (ICE).

The Division of Finance and Corporate Securities and the Clackamas County District Attorney's Office advise consumers to do their homework before doing business or investing money. To check an individual's credentials and licensing history, call DFCS toll-free (866) 814-9710, (503) 378-4140 in Salem, or go to www.dfcs.oregon.gov.

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