



# NEWS RELEASE

Office of the United States Attorney  
Eastern District of Texas

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***FOR IMMEDIATE RELEASE***

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## **SCAM ON ELDERLY SENDS INVESTOR TO FEDERAL PRISON**

(Beaumont, Texas) An East Texas man has been sentenced to federal prison for swindling a Groves, Texas woman out of about \$280,000. **RICHARD ALLEN ESSARY**, 53, from Troup, Texas, was sentenced today to 30 months in federal prison for Conspiracy to Commit Fraud in Interstate Commerce. U.S. District Judge Thad Heartfield also ordered Essary to pay restitution of \$346,200 to the Groves victim and other investors.

According to information prosecutors presented in court, Essary and his father, James Essary, hosted a financial planning seminar in Port Arthur in April 1998. A Groves woman over the age of 80 attended the seminar and purchased four annuities from an insurance company totaling \$281,000. A few months later, Richard Essary approached the woman about withdrawing some of her annuity money and offered to invest it for her at a higher interest rate. Between July 1998 and October 2000, Essary visited the woman several times and had her withdraw all of her money and then claimed to re-invest it for her. In reality, a large portion of the money was spent by Essary on a variety of personal expenses including car rentals, dental work, cash to relatives, credit cards, and recurring monthly household and living expenses. The money was also used to pay \$22,783 in restitution that

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Essary was obligated to pay as a result of his previous federal conviction for money laundering in the Northern District of Texas. Essary also used the money to pay a \$10,000 settlement to another elderly client. Essary pleaded guilty in February, 2004 to the charge involving the Groves woman.

**Matthew D. Orwig, U.S. Attorney for the Eastern District of Texas, reminded citizens to use extreme caution when investing their money, "Those who target the elderly, the infirm, and the vulnerable are a heartless, despicable lot. Essary definitely deserves hard time for this crime. Investors are encouraged to carefully research investment opportunities and report suspicious activities to the proper authorities immediately. This kind of fraud is intolerable."**

Essary was allowed to voluntarily surrender for imprisonment on September 9, 2004. Co-Defendant James Essary passed away while awaiting trial and his case has been dismissed.

The Beaumont office of the Federal Bureau of Investigation investigated the case. Assistant U.S. Attorney Bob Rawls prosecuted the case.

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