



Department of Justice

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**FORMER TYLER INSURANCE AGENT SENTENCED TO 36 MONTHS IN PRISON
FOR \$5.4 MILLION DOLLAR “PONZI” SCHEME**

*64 year old former agent victimized more than sixty former clients, friends, and associates
over a nine year time period*

TYLER, Texas – A 64 year old former insurance agent was sentenced to serve 36 months in federal prison for wire fraud and money laundering announced U.S. Attorney John M. Bales today.

Robert Hahn, a former Tyler, Texas insurance agent entered a guilty plea on November 19, 2015 to charges of wire fraud and money laundering. At that hearing Hahn admitted that he started a fraudulent scheme, commonly known as a “Ponzi scheme” before January 2007 and he continued it until he was confronted by F.B.I. and I.R.S. agents on February 4, 2015. Hahn admitted he falsely represented to approximately 100 different individuals that he was spearheading fund raising for a group of doctors, in Tyler, Texas, who were raising capital for debt retirement, construction of, or improvements to, health care facilities, and medical equipment purchases. Hahn told potential “investors” that the group of doctors he represented would pay an annual interest rate of 20% on their loans or investments. Hahn then collected funds from the “investors” and deposited them into his insurance business or personal checking accounts. Hahn would periodically make “interest” payments, in cash, to investors, representing a 20% return on the fictitious loans or investments, utilizing funds he had derived from earlier investors. Upon request, Hahn would return principle loan or investment funds to the investors in the form of a check drawn on his insurance or personal checking accounts, using funds he had received from other investors. Hahn admitted that there never was a group of doctors raising capital. Hahn admitted he simply made up this story to obtain and maintain funds for his personal use.

As a result of the scheme, Hahn collected approximately \$5,479,600.00 from ninety-four (94) individuals. In furtherance of the scheme, during the relevant time period, Hahn returned or distributed approximately \$4,072,470.00, in proceeds from the fraud scheme to some of the individuals in the form of returned “principle” and “interest” or “earnings”. Thirty-one (31) of these individuals enjoyed a combined total, net gain of \$1,407,130.00; while sixty-six (66) of them suffered a combined total net loss of \$1,757,280.00.

Hahn cooperated fully with investigators from the onset of the investigation and voluntarily surrendered all of his accounting records pertaining to the scheme. As part of his plea agreement with the government, Hahn agreed to surrender the net proceeds from the sale of his home and the sale of his insurance business to the court for restitution to his victims. In addition, since the investigation began in February, Hahn has deposited 20% of his monthly gross income into an account designated for victim restitution. At the time of sentencing the balance in that account had reached approximately \$16,000.00. Hahn also agreed to assign the proceeds from the sale of 80,500 shares of stock in a privately owned corporation to the court for distribution to the victims; however, at this point in time there is no commercial market for those shares.

The government initiated collection proceedings against the fraud scheme proceeds paid to investors who profited from their “investments” with Hahn. At the time of sentencing, those proceedings had generated approximately \$146,000.00 which will be deposited into an account designated for victim restitution.

This case was investigated by the Federal Bureau of Investigation, Tyler Office, the Internal Revenue Service, Criminal Investigations Division, the Texas State Securities Board, and prosecuted by Assistant U.S. Attorney Jim Noble.

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