

FINANCIAL TIMES

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Three jailed for 'boiler room' share scam

By Jane Croft, Law Courts Correspondent

A father and two sons have been jailed for a total of 19 years at Southwark Crown Court for a "boiler room" share scam that resulted in £14m of losses.

Tomas Wilmot was sentenced to nine years, while his sons Kevin and Christopher were given five years each, after being found guilty of offences of conspiracy to defraud.

Together, the men controlled a syndicate that defrauded an estimated 1,700 investors of £27.5m in total.

The court found they conspired to acquire, transfer and sell millions of low-value, worthless and sometimes non-existent shares to victims in the UK.

The Crown Prosecution Service, which brought the case, said it would now begin the process of confiscating money from the Wilmots.

Mr Justice Leonard QC said in his sentencing remarks: "You ran a highly successful enterprise. You deprived many individual investors of substantial amounts of money. For some, that was money they could not afford to give up. It was a staggering amount of £14m."

The convictions followed a long investigation by authorities including the Financial Services Authority, City of London police and Eurojust, a European Union organised crime body based in The Hague.

The increasing sophistication of boiler room scams, where fraudsters contact people by telephone to con them into buying non-tradable, overpriced or even non-existent shares, has prompted regulators to issue a series of warnings to investors.

The FSA receives about 5,000 calls a year from people who think they may have been victims of such scams. Each year, about £200m is estimated to be lost to the crime.

The Wilmots were charged in June 2009 and went to trial in May this year. Searches conducted in relation to another boiler room investigation in late 2007 had implicated the Wilmots and, after preliminary inquiries, the FSA began a formal investigation in July 2008.

In May 2009, 93 FSA and City of London police investigators carried out a series of

co-ordinated searches at the home addresses and offices of the suspects and seized computers and 67,000 documents.

These "boiler rooms" were based predominantly in Spain, but the back office, accounts and other companies used in the operation were from Malta, Italy, Slovakia, Lithuania, Austria, Andorra, Brazil, Belize, Dubai and a number of Caribbean islands.

Approximately £27.5m was paid into five UK bank accounts and £14m was transferred out of five UK bank accounts to offshore banks in Malta, Lithuania and Spain.

Tracey McDermott, the FSA's acting director of enforcement, said: "This was a highly sophisticated scam that made use of offshore structures to launder the funds, put distance between the Wilmots and the boiler rooms, and ultimately disguise the nature of the business."

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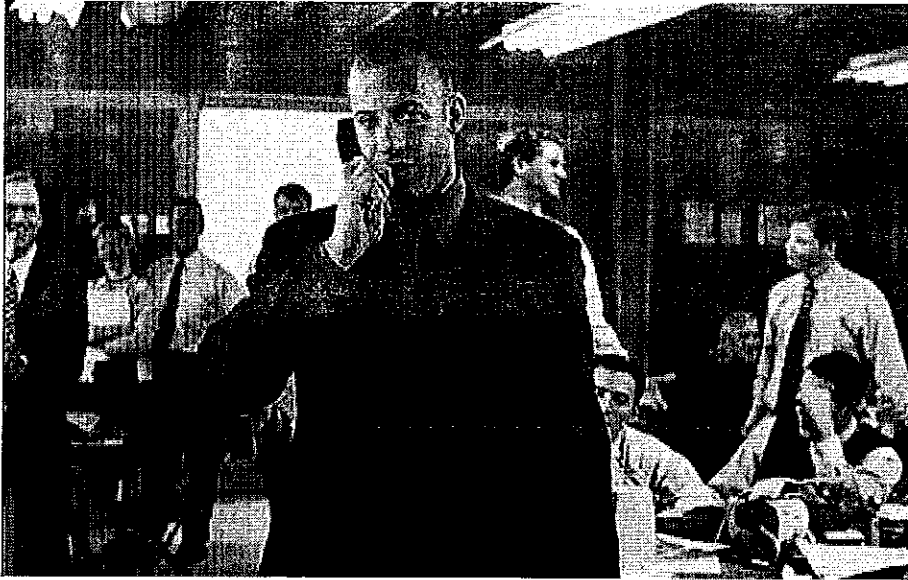
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The Telegraph

Boiler room fraudsters jailed for record 19 years

Three fraudsters who operated one of the largest boiler room scams ever to be uncovered have been jailed for a record 19 years in total.



Vin Diesel stars in the film Boiler Room. Boiler rooms are offices in which people call potential investors and pressurise them into buying bogus shares Photo: Film Stills



By Jonathan Russell (<http://www.telegraph.co.uk/journalists/jonathan-russell/>)

6:00AM BST 23 Aug 2011

Tomas Wilmot and his two sons Kevin and Christopher were jailed at Southwark Crown Court after an investigation into a £14m deception that involved 16 crime fighting bodies working across 10 national jurisdictions.

Tomas Wilmot, 64, the ringleader of the operation, was jailed for nine years. His sons were given sentences of five years each. The sentencing took place on Monday, hours after they were found guilty of the multi-million pound scam.

Honour Judge Leonard QC, sentencing, said: "You ran a highly successful enterprise. You deprived many individual investors of substantial amounts of money; for some that was money they could not afford to give up. It was a staggering amount of £14m.

"You've sailed so close to the wind in your commercial enterprises it was not a surprise the FSA investigated you."

The court heard that the Wilmots operated an international operation involving 16 different boiler rooms selling shares to 1,700 victims in the UK. Although the operation was controlled from the UK, many of the

boiler rooms, the offices that called potential investors and pressurised them into buying bogus shares, were based in Spain. The scam ran for nearly five years before it was brought to the attention of the FSA and then the City of London Police in 2008.

[Fraudster Tony Wilmot failed to learn from Harvard collapse \(http://www.telegraph.co.uk/finance/financial-crime/8718862/Fraudster-Tony-Wilmot-failed-to-learn-from-Harvard-collapse-and-DTI-investigation.html\)](http://www.telegraph.co.uk/finance/financial-crime/8718862/Fraudster-Tony-Wilmot-failed-to-learn-from-Harvard-collapse-and-DTI-investigation.html)

[10 years in prison for Germany's 'Mini-Madoff' \(http://www.telegraph.co.uk/finance/financial-crime/8655763/10-years-in-prison-for-Germanys-Mini-Madoff.html\)](http://www.telegraph.co.uk/finance/financial-crime/8655763/10-years-in-prison-for-Germanys-Mini-Madoff.html)

[Serious Fraud Office watching exchange-traded funds \(http://www.telegraph.co.uk/finance/personalfinance/investing/8621260/Serious-Fraud-Office-watching-exchange-traded-funds.html\)](http://www.telegraph.co.uk/finance/personalfinance/investing/8621260/Serious-Fraud-Office-watching-exchange-traded-funds.html)

[FSA successor to take 'tougher, bolder' approach to regulation \(http://www.telegraph.co.uk/finance/financial-crime/8601832/FSA-successor-to-take-tougher-bolder-approach-to-regulation.html\)](http://www.telegraph.co.uk/finance/financial-crime/8601832/FSA-successor-to-take-tougher-bolder-approach-to-regulation.html)

[FSA warns City: you're on your own \(http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/8592774/FSA-warns-City-youre-on-your-own.html\)](http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/8592774/FSA-warns-City-youre-on-your-own.html)

Tracey McDermott, the FSA's acting director of enforcement, said: "This was a highly sophisticated scam that made use of offshore structures to launder the funds, put distance between the Wilmots and the boiler rooms, and ultimately disguise the nature of the business.

"That meant that what started out as a UK-based FSA investigation had to evolve into a joint, then global, operation to bring the perpetrators to justice."

The investigation went as far afield as Iceland and Hong Kong, tracing bank accounts and back office operations. Boiler rooms are notoriously difficult to prosecute as most operate overseas with little or no connection to the UK.

The case against the Wilmots was helped by the family living and having offices in and around Surrey.

In total the Wilmots defrauded investors, many of whom were elderly, of £27.5m, resulting in £14m of losses.

Kevin Wilmot, 43, was in charge of administering the work while his brother Christopher, 42, looked after the IT from his company in Slovakia.

Independent.co.uk

£27.5m 'boiler room' family get 19 years in jail

By Simon Read

Tuesday, 23 August 2011

A father and two sons have been jailed for a total of 19 years for running a £27.5m "boiler room" scam. The ringleader, Tomas Wilmot, was sentenced to nine years at Southwark Crown Court yesterday, while his sons Kevin and Christopher were given five years each.

The family controlled a syndicate of 16 boiler rooms that defrauded an estimated 1,700 investors of £27.5m between 2003 and 2008. Many of the victims were elderly and, in some cases, suffering from serious illnesses.

The sentences followed a three-year investigation by the Financial Services Authority including raids on the trio's homes in Guildford and Horsham, and an office in Bramley, Surrey. The boiler rooms operated from Spain with back offices in Malta, Italy, Slovakia, Lithuania, Austria, Andorra, Brazil, Belize, Dubai and some Caribbean islands.

Tracey McDermott, the FSA's acting director of enforcement, said: "The individuals convicted today sought to cloak their activities within an aura of respectability. They are, however, nothing more than cold-hearted criminals."

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BUSINESS

22 August 2011 Last updated at 19:09

Father and sons boiler room scam sent to prison

Three men have been jailed at Southwark Crown Court for a total of 19 years in jail for a £27.5m boiler room fraud.

Tomas Wilmot was jailed for nine years, and his sons Kevin and Christopher were given five years each.

They acquired, transferred and sold millions of low value and sometimes non-existent shares to vulnerable victims in the UK.

It comes after an investigation by the Financial Services Authority (FSA) and City of London Police.

They were assisted by judicial co-operation body Eurojust.

Investigators found £27.5m had been paid into five UK bank accounts, with about £14m then transferred to offshore banks in Malta, Lithuania and Spain.

Back office operations, accounts and companies used in the fraud were based in countries around the world including Malta, Italy, Lithuania, Austria, Brazil, Belize, Dubai and a number of Caribbean islands, the FSA said.

The court heard Tomas Wilmot, 64, from Westwood Lane in Guildford, Surrey, Kevin

Wilmot, 43, from Langhurstwood Road in Horsham, West Sussex, and Christopher Wilmot, 42, from St Leonard's Road, also in Horsham, operated a "highly successful" enterprise.

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LONDON (Dow Jones)--The Financial Services Authority, or FSA, Monday said three men were sentenced Monday at Southwark Crown Court to a total of 19 years in jail for GBP27.5m boiler room fraud.

MAIN FACTS:

-Tomas Wilmot, the ringleader of the operation, has been sentenced to nine years imprisonment, while his sons Kevin and Christopher were given five years imprisonment each.

-Sentences were passed following the individuals' convictions on four offences of conspiracy to defraud which resulted in GBP14 million of losses.

-Wilmots controlled a syndicate of boiler rooms that defrauded an estimated 1,700 investors of GBP27.5 million in total.

-Court found that the three Wilmots conspired to acquire, transfer and sell millions of low value, worthless and sometimes non-existent shares to victims in the U.K..