

FOR IMMEDIATE RELEASE
June 5, 2020

Jesse W. Harris Surrenders to Custody in Response to 24-Count Securities Fraud Complaint as Receivership Action Continues

Topeka, Kan. - On June 4, 2020, Jesse W. Harris surrendered to custody in Sedgwick County, where he was booked and released on \$200,000 bond.

On May 22, 2020, the State of Kansas through Attorney General Derek Schmidt's office charged Harris with twenty-four felony counts of securities fraud in a criminal Complaint filed in Sedgwick County District Court. The Complaint alleges that Harris violated the Kansas Uniform Securities Act by defrauding investors in a scheme involving concrete and real estate, resulting in alleged investor losses of at least \$1,250,000.

In separate legal proceedings related to the alleged scheme, the Office of the Kansas Securities Commissioner (KSC), a division of the Kansas Insurance Department, issued administrative cease and desist orders and obtained a civil judgment. The Securities Commissioner pursued these actions against Harris for soliciting funds for investments in concrete and real estate, but using the money for other purposes, including paying earlier investors returns with money contributed by later investors. This is generally regarded as a Ponzi scheme.

"I would like to thank Securities Commissioner Wagaman and the entire team within the securities division for their work on this case, including the ongoing receivership" Insurance Commissioner Schmidt said. "I would also like to thank Attorney General Derek Schmidt's office for moving forward with criminal charges."

The KSC conducted the investigation into Mr. Harris's alleged wrongdoing, which resulted in these administrative and civil actions and a referral to the Attorney General's office for criminal prosecution. In addition to the criminal proceedings the Securities Commissioner continues to pursue civil restitution for victims of the alleged scheme as Receiver in *Office of the Kansas Securities Commissioner v. Harris Custom Projects, LLC, et al.*, No. 2018-CV-01287 (Sedgwick Cty. Dist. Ct.), where a consent judgment and permanent injunction were entered against Mr. Harris and related entities on August 18, 2018.

The Fraud and Abuse Litigation Division of the Office of Kansas Attorney General will prosecute the case. All criminal charges are merely accusations. Individuals are presumed innocent unless and until proven guilty. Please direct further inquiries regarding the criminal proceedings to CJ.Grover@ag.ks.gov and regarding the receivership action to lee.modesitt@ks.gov

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