



# Kansas Department of Insurance

Commissioner Vicki Schmidt

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## Wichita man sentenced to prison for securities fraud

Topeka, Kan. – Insurance Commissioner Vicki Schmidt, today, announced that a Wichita man has been sentenced to prison for securities fraud.

Jesse Wayne Harris, age 36, was sentenced in Sedgwick County District Court on August 20 to 30 months in prison for three level four felonies of securities fraud. He was taken into custody last week to begin his prison sentence.

Starting in 2016, Harris sold securities to raise investment funds for two schemes. Instead of using investor funds for the purposes Harris promised investors, Harris misappropriated the vast majority of funds, using them for his personal use and to pay other investors. Such activity is the hallmark of a "Ponzi scheme"- a fraudulent scheme where money taken from later investors is paid to earlier investors to create the false appearance that the scheme is generating returns.

In June 2018, the Securities Commissioner of Kansas was ordered to act as a receiver for Harris and his company, Harris Custom Projects LLC. The receivership has returned \$500,000 in restitution back to investors.

"Ponzi schemes like this one too often result in investors losing part - if not all - of their original investment," said Schmidt. "In this case, investors who were defrauded have received a large portion of their money back, which is a testament to the diligent work of our Securities Division and the Office of the Attorney General."

The Securities Division of the Kansas Department of Insurance investigated the case, which was prosecuted by the Kansas Attorney General's Office.

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*The Kansas Insurance Department was established in 1871, currently led by Commissioner Vicki Schmidt. The mission of the Department is to **regulate** companies that sell policies in Kansas to ensure solvency and compliance with state law, **educate** consumers about all things insurance and securities, and **advocate** for a strong and competitive market to give Kansans choices when shopping for products that meet their needs.*