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**NEWS RELEASE**



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**Woman Who Bilked Millions From Investors is Denied Appeal**

(Juneau) – On Tuesday the Alaska Supreme Court denied a petition by Raejean Bonham, which argued that her three year sentence for Misleading Securities Filings was excessive. The Court of Appeals rejected Bonham’s claim in May, and the denial by the supreme court allows the sentence to stand. Bonham operated one of the largest “pyramid” schemes in Alaska history that defrauded hundreds of investors of millions of dollars. This was Bonham’s second appeal.

“We are pleased to bring this matter to a conclusion,” said Attorney General Gregg Renkes. “The securities laws are designed to protect investors, and this violation led to huge losses. Imposing significant jail time is a strong deterrent in these types of offenses. This should send a strong message to all individuals who lie and betray the trust of investors.”

In 1989, Bonham created a classic “pyramid” or “Ponzi” scheme involving the World Plus travel agency in Fairbanks. She issued “contracts” in \$5,000 increments, falsely telling private investors that she was buying frequent-flier coupons in bulk from large corporations and re-selling the tickets redeemed. The contracts came due in just a few months and she promised a twenty to fifty percent return, using money from new investors to pay off the initial investors, and often convincing them to “re-invest” their money. In 1993, Bonham registered these “contracts” with the state as securities, and provided false information in her filing. Hundreds of people invested millions of dollars over several years before the scheme collapsed. Bonham was convicted of money laundering and fraud under federal law, but the state was not satisfied with the sentence imposed. The state then prosecuted her under state securities law.

The original state charges against Bonham were dismissed by Anchorage Superior Court Judge Michael L. Wolverton because she had already been convicted in federal court. The Court of Appeals reversed that decision concluding that it was proper to prosecute Bonham separately under state law.

For additional questions please contact Assistant Attorney General Kevin Burke at (907) 269-6250. To obtain copies of public record documents related to this case, please contact paralegal Cynthia Bradford at (907) 269-6250.

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