



*U.S. Department of Justice
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PRESS RELEASE

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**PAUL DONISTHORPE SENTENCED TO 144 MONTHS IN PRISON FOR SCHEME TO EMBEZZLE
MILLIONS FROM CLIENT TRUST ACCOUNTS**

ALBUQUERQUE – Paul Donisthorpe, 62, of Bloomfield, N.M., was sentenced today in federal court to 144 months in prison for wire fraud and money laundering.

Donisthorpe previously entered into a plea agreement admitting that he embezzled more than \$4.8 million from client trust accounts managed by Desert State Life Management (DSLML), a company he operated and controlled. Donisthorpe was the sole owner and operator of DSLML, which provided trustee and representative payee services for people needing assistance with their financial affairs.

“The defendant abused the trust of his clients by looting their benefits for his own personal use,” said U.S. Attorney John C. Anderson. “This conduct was particularly odious insofar as defendant sought to enrich himself at the expense of a vulnerable population whose assets he had been entrusted with protecting and preserving. The sentence imposed today stands as a testament to our enduring commitment to obtaining justice for these victims and holding defendant accountable for his actions.”

“We hope this sentence sends a clear message: If you steal from vulnerable people who trusted you to take care of them, you will pay a heavy price,” said James C. Langenberg, Special Agent in Charge of the Albuquerque FBI Field Office. “The FBI is proud to have worked with the U.S. Attorney’s Office, IRS Criminal Investigation, and the New Mexico Regulation and Licensing Department’s Financial Institutions Division on this case.”

“This investigation revealed that Paul Donisthorpe, the CEO of a non-profit trust agency, was motivated by greed and abused the trust he owed to his clients. We hope this sentencing will discourage others from taking the path of fraud and deceit and that it shows our agency is committed to protecting New Mexicans from financial harm,” said Special Agent in Charge Ismael Nevarez, Jr., of the Phoenix Field Office of IRS - Criminal Investigation.

“Mr. Donisthorpe’s victims in this case were extremely vulnerable, and he knowingly chose to steal from them because he believed their voices would be limited,” said Christopher Moya, Acting Director of the Financial Institutions Division of the New Mexico Regulation and Licensing Department. “Many of his victims do not have the ability or capacity to speak for themselves. The crimes perpetrated on these at risk individuals and their loved ones have caused irreparable harm that will affect them the rest of their lives. I am thankful that court handed down the sentence of twelve years to Mr. Donisthorpe. While today’s sentence cannot undo the suffering and hardships endured, it has provided the victims in this case with some measure of justice. We are proud of all the team members who demonstrated such commitment to investigating and prosecuting this hideous crime.”

According to court documents, Donisthorpe perpetuated a decade-long fraudulent scheme in which he transferred millions of dollars from client trust accounts into accounts he controlled. Donisthorpe then used the money for personal matters. Donisthorpe concealed his fraudulent scheme by causing his accounting staff to falsely clients’ balances in DSLM records and by presenting false and fraudulent documents to the Financial Institutions Division of the New Mexico Regulations and Licensing Department.

Donisthorpe admitted in his plea agreement that he regularly used wire communications to facilitate his fraudulent scheme. As an example, he admitted that he sent an email on May 10, 2016, directing an asset manager to liquidate \$95,000 of client investments. Donisthorpe later transferred \$50,000 of those funds into an account he controlled. Donisthorpe also conducted numerous monetary transactions with the proceeds of his embezzlement scheme, including using a \$100,000 check to pay the mortgage for property related to his cattle business knowing that he had stolen the funds from DSLM client accounts. Donisthorpe spent the illegally obtained funds on personal items including business ventures, his home mortgage, the mortgage for a vacation home in Angel Fire, N.M., automobiles, credit card expenditures, and paying off IRS debts.

Under the terms of his plea agreement, Donisthorpe must pay restitution of \$6,834,952.46. The Court will enter an order within 90 days of sentencing finalizing the restitution judgment. He also must forfeit any interest he has in assets derived from or used in the commission of his crimes. Donisthorpe also must pay a money judgment of \$4,812,857 and immediately forfeit the real property that is the subject of a pending civil forfeiture action in the case *United States v. 130 Hidden Lake Cir., Angel Fire, NM 87710, et al.*, 17-cv-00644 LF-JHR. This property includes a luxury lodge in Angel Fire, N.M., DSLM’s office building in Albuquerque, and a 120-acre cattle ranch in Henderson County, Texas.

The Albuquerque offices of the FBI and IRS Criminal Investigation conducted the investigation with assistance from the New Mexico Regulation and Licensing Department’s

Financial Institutions Division. Assistant U.S. Attorneys Jeremy Peña and Brandon L. Fyffe are prosecuting the case.

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