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Hobbs Man Pleads Guilty to Running Ponzi Scheme

LOVINGTON, N.M. – A Hobbs man, who was indicted for running a Ponzi scheme, has pleaded guilty to charges of Fraud, Securities Fraud, and Money Laundering.

Hector Vega, 40, pleaded guilty to one count of Fraud, three counts of securities fraud, and one count of money laundering in the Fifth Judicial District Court of Lea County. Vega faces a maximum sentence of 18 years in prison.

"Fraudulent investment schemes have no place in New Mexico. Our department will continue to aggressively pursue anyone who attempts to defraud the citizens of New Mexico," said Regulation and Licensing Department Superintendent Mike Unthank. "I urge all New Mexicans to be cautious of investors offering unreasonably high returns and to check with the Securities Division before you make any investments."

Vega used a Ponzi scheme to obtain investments from local business owners, friends, and acquaintances to promote music concerts. The Securities Division investigation revealed that Vega made misstatements and omissions of material fact in the offer and sale of the investments, which promised to pay unreasonably high interest rates.

The case was investigated by the Hobbs Police Department with assistance from the Securities Division of the Regulation and Licensing Department and was prosecuted by the Securities Division and the Office of the Fifth Judicial District Attorney.

The Securities Division protects New Mexicans from fraud and financial abuse by licensing investment professionals, registration of securities made in the state, offering anti-fraud and educational programs to the public, and investigating fraud and other violations of the state securities laws. To learn more about investment fraud, visit the division's website at www.RedFlagsNM.com.

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