



PRESS RELEASE

Sonoma Real Estate Developer Arrested On Charges Of Defrauding Hundreds Of Investors

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For Immediate Release

U.S. Attorney's Office, Northern District
of California

Former President of LeFever Mattson Allegedly Used Victims' Money to Fund Personal Expenses and Pay Existing Investors

SAN FRANCISCO – Kenneth W. Mattson, 63, of Sonoma, was arrested today pursuant to an indictment returned by a federal grand jury charging him with wire fraud, money laundering, and obstruction of justice.

According to the nine-count indictment filed May 13, 2025, and unsealed today, Mattson was the President of LeFever Mattson, a corporation based in Citrus Heights, Calif., that controlled several limited partnerships that owned and managed commercial and residential properties. For more than a decade, Mattson allegedly solicited and obtained millions of dollars in investments from hundreds of investors — many of whom were nearing or in retirement — in what he represented were legitimate and safe interests of limited partnerships that owned real estate. Those representations were false: although many of the partnerships were real entities, Mattson's victims, referred to in the indictment as "off-books investors," never had interests in those partnerships.

“This indictment alleges that Kenneth Mattson defrauded hundreds of victims, many of whom entrusted him with retirement savings they could not afford to lose. He allegedly raised tens of millions of dollars by falsely claiming that investors would have legitimate stakes in real estate projects. Instead of delivering the investment returns he promised, Mr. Mattson is charged with cheating these investors out of their hard-earned money and, in many cases, out of their life savings,” said Acting United States Attorney Patrick D. Robbins. “Mr. Mattson will now be held to account on charges of perpetrating a scheme that he kept afloat only by using new investors’ money to pay obligations to earlier investors — a classic Ponzi scheme.”

“As alleged, Mattson orchestrated a fraudulent real estate investment scheme over several years, stealing millions of dollars from hundreds of victims, many of them retirees or nearing retirement. This case underscores the serious impact financial fraud can have on a community, particularly on those least able to recover,” said FBI Special Agent in Charge Sanjay Virmani. “The investigation in this case is ongoing. We encourage anyone who believes they may be a victim to come forward. The FBI and our partners remain steadfast in our commitment to uncovering the truth and seeking justice for those affected.”

“The allegations against Mr. Mattson describe a long-standing scheme with hundreds of victims duped out of millions of dollars,” said IRS Criminal Investigation (IRS-CI) Oakland Field Office Special Agent in Charge Linda Nguyen. “Simply put, white-collar crime is not victimless, and our special agents and professional staff are the experts at tracing money trails and building cases that lead to justice while simultaneously deterring future criminal activity.”

“Postal inspectors will not allow the mail to be used to defraud people. The American people trust us to end fraud schemes and bring fraud perpetrators to justice — we are proud to work with our federal law enforcement partners in investigations like this one,” said U.S. Postal Inspection Service (USPIS), San Francisco Division Inspector in Charge Stephen M. Sherwood.

The indictment describes that, from at least 2009 and continuing through 2024, Mattson solicited investments from off-books investors into Divi Divi Tree, LP (Divi Divi), a LeFever Mattson-controlled partnership that owned an apartment complex in Riverside County, Calif. The vast majority of these investors used their retirement funds to invest in Divi Divi. Mattson never told the LeFever Mattson company about these investors, and the investors were not listed as partners in the company’s official books and records. Contrary to Mattson’s representations to these victims, these “off-books” investors never became true owners in the partnership. Although some investors received distribution payments from their “off-books” investments, that money did not come from the rents of the partnership’s underlying property, as Mattson promised; instead, it came from loans, Mattson’s comingling of other assets, and from new investors, in the manner of a Ponzi scheme.

Mattson’s scheme reached beyond Divi Divi to other LeFever Mattson limited partnerships, including Heacock Park Apartments, LP, an entity that was formed to purchase another

apartment complex. Among other conduct, the indictment describes Mattson's concealment from the "off-books" investors of the 2021 sale of the Heacock Park Apartments, the asset underlying Heacock Park, which resulted in net proceeds of over \$8 million. Notwithstanding Mattson's prior representations to "off-books" investors that they would be notified upon sale and be entitled to share in profits proportionate to their ownership stake, Mattson concealed the sale from existing "off-books" investors and omitted that the primary asset of the entity had, in fact, been sold when recruiting new investors for Heacock Park.

The indictment also alleges that Mattson engaged in similar fraudulent conduct through another real estate holding entity over which he exercised sole business control, KS Mattson Partners, LP.

Between 2019 and 2024, Mattson obtained at least \$28 million from investors for "off-books" investments in Divi Divi and Heacock Park alone.

The indictment further alleges that Mattson learned of an investigation into his conduct by the U.S. Securities and Exchange Commission (SEC) in April 2024. After the SEC instructed Mattson to preserve and retain relevant evidence and served him with a subpoena for documents, Mattson deleted thousands of files that were relevant to the SEC's investigation.

The indictment charges Mattson with seven counts of wire fraud in violation of 18 U.S.C. § 1343, one count of engaging in monetary transactions in property derived from specified unlawful activity (money laundering) in violation of 18 U.S.C. § 1957, and one count of destruction of records in a federal investigation (obstruction of justice) in violation of 18 U.S.C. § 1519.

Mattson is scheduled to make his initial federal court appearance at 10:30 a.m. on May 23, 2025, before U.S. Magistrate Judge Alex G. Tse in San Francisco.

An indictment merely alleges that crimes have been committed, and all defendants are presumed innocent until proven guilty beyond a reasonable doubt. If convicted, Mattson faces a maximum sentence of 20 years in prison as to each count of wire fraud and the obstruction of justice count and 10 years in prison as to the money laundering count. Any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Individuals who believe that they are "off-books" investors with Mattson are urged to fill out the following form: <https://forms.fbi.gov/victims/lfminvestors> and send copies of any relevant documents to LFMInvestors@fbi.gov.

The SEC today filed a civil enforcement action against Mattson and KS Mattson Partners LP in the Northern District of California.

Assistant U.S. Attorneys Christoffer Lee and Nikhil Bhagat are prosecuting the case with the assistance of Mimi Lam. The prosecution is the result of an investigation by the FBI, IRS-CI, and USPIIS. The U.S. Attorney's Office thanks the San Francisco Regional Office of the SEC for its assistance in the investigation.

[Mattson Indictment](#)

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May 28, 2025



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