



THE UNITED STATES ATTORNEY'S OFFICE  
MIDDLE DISTRICT *of* PENNSYLVANIA

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**Department of Justice**

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

Tuesday, April 17, 2018

## **Memphis Securities Broker-Dealer Indicted For Embezzling \$5.7 Million From Employee Pension Benefit Plan**

WILLIAMSPORT - The United States Attorney's Office for the Middle District of Pennsylvania announced today that John Sherman Jumper, age 52, of Memphis, Tennessee was indicted on April 12, 2018, by a federal grand jury for embezzling \$5.7 million from the pension benefit plan for employees of Snowshoe Refractories, a fire brick manufacturer located in Clarence, Centre County, Pennsylvania.

According to United States Attorney David J. Freed, the indictment alleges that Jumper, a securities broker based in Memphis, Tennessee, forged signatures on fraudulent documents that purportedly authorized him to transfer funds from the pension plan on three separate occasions between March 2015 through April 2016. The indictment also alleges that Jumper used the embezzled funds to make unauthorized loans and investments for the purchase of a tubing plant in Arkansas and three other business, to pay off \$1.2 million of his personal loans, and to cover his personal legal fees. The indictment further alleges that Jumper received a personal interest in the businesses purchased with the embezzled pension funds, and his securities company, Alluvion Securities in Memphis, received over \$1 million in fees from the sale of the Arkansas tubing plant.

The indictment alleges that the Snow Shoe Refractories Employee Pension Plan for Hourly Employees included about 129 active and retired employees. At the time the alleged \$5.7 million embezzlement began, the pension plan assets were worth approximately \$9.8 million.

The indictment charges Jumper with four counts of wire fraud, three counts of embezzlement from an employee pension benefit plan, and five counts of false statements and concealment of facts in pension benefit plan records.

The case was investigated by the Federal Bureau of Investigation, with the assistance of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA), the Financial Industry Regulatory Authority (FINRA), and the United States Securities and Exchange Commission. Assistant U.S. Attorney George J. Rocktashel is prosecuting the case.

Indictments and Criminal Informations are only allegations. All persons charged are presumed to be innocent unless and until found guilty in court.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

The maximum penalty under federal law for this offense is 65 years of imprisonment, a term of supervised release following imprisonment, and a fine. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.

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**Topic(s):**

Financial Fraud

**Component(s):**

USAO - Pennsylvania, Middle

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