



Department of Justice

U.S. Attorney's Office

Eastern District of North Carolina

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919-856-4530

Raleigh Real Estate Developer Sentenced to Decade in Prison for Real Estate Ponzi Scheme and Firearm Possession Charges

RALEIGH, N.C. – A Raleigh man was sentenced today to ten years in prison on charges of Wire Fraud, in violation of Title 18, United States Code, Section 1343, and Possession of a Firearm by a Felon, in violation of Title 18, United States Code, Section 922(g). The defendant was also ordered to serve three years of supervised release and to pay restitution to victims in the total amount of \$1,771,382.25.

According to court documents and arguments made in court today, Joshua Matthew Houchins, 36, owner of various Raleigh real estate development companies, carried out a Ponzi scheme upon numerous local real estate investors. Houchins also possessed a rifle and several rounds of ammunition after having been convicted of a felony.

According to the superseding indictment, between 2014 and 2018, Houchins owned and operated Rossshire Development LLC, Greenstone Ventures LLC, and Modern South Development LLC, and used these entities to carry out a fraud upon his real estate development investors. Specifically, Houchins solicited investment monies by telling victims that their money would be “put to work” on a specific property, and further represented that the investments would be secured by deeds of trust filed with the county register of deeds. In fact, Houchins did not put all of the investor funds to work on the property on which the investor was solicited to invest, and instead, regularly used investor funds on other properties, or on personal expenses. Likewise, the investor promissory notes were not secured by a deed of trust as promised. In some instances, Houchins did not even own the property that was the subject of the investment, and, as such, could not truthfully grant a deed of trust to the investor.

The indictment alleges that after Houchins diverted investor money away from the property on which the funds were supposed to be spent, Houchins failed to develop and sell the properties, as he represented he would. Houchins then defaulted on the notes by failing to pay investors their promised returns. The investors were unable to foreclose upon the investment properties because Houchins had not secured the promissory notes with a deed of trust filed, thereby resulting in losses to the investors. Houchins specifically pled guilty to Count Nine, which alleged one instance of the above-described fraud on January 6, 2017. As a part of the plea, Houchins agreed to make restitution to all victims for losses arising from the scheme and related schemes.

According to the second part of the superseding indictment, the grand jury began to investigate Houchins in 2018 concerning the aforementioned offenses. Following the issuance of subpoenas to his attorney and to his various real estate companies, Houchins only produced a small number of documents to the grand jury. Instead, the indictment alleges that Houchins admitted in February 2020 letter that he had “destroyed all of the evidence.”

The superseding indictment also alleges that Houchins, who had recently separated from his wife, began to send her harassing messages. The indictment alleges that Houchins’ wife obtained a Domestic Violence Order of Protection (DVPO) barring Houchins from contacting, threatening, or harassing his wife. While Houchins was already prohibited from possessing a firearm due to his status as a convicted felon, the DVPO further prohibited Houchins from possessing a firearm.

The superseding indictment then alleges that in March of 2020, Houchins communicated to friends of his wife that she had, “run to the police” and that Houchins has “no mercy on a lying rat.” Around one month later, the superseding indictment alleges that Houchins sent threatening communications to friends and family of his wife, including photographs of Houchins wearing a mask and tactical vest.

The superseding indictment then charges that, following his internet searches for “killing your wife over love,” Houchins was arrested. At the time of his arrest, Houchins was in possession of a Ruger AR-15, 4 magazines, a double canister magazine containing 100 rounds of ammunition, two boxes of .223 caliber ammunition, and a tactical vest. Houchins pled guilty to Count Fourteen, which alleged that he possessed the Ruger AR-15 despite being a convicted felon.

G. Norman Acker, III, Acting U.S. Attorney for the Eastern District of North Carolina made the announcement. The Federal Bureau of Investigation and the North Carolina Secretary of State investigated the case. The Wake County Sheriff’s Office, Apex Police Department, and Sanford Police Department also provided assistance. Assistant U.S. Attorney William M. Gilmore served as the prosecutor.

Related court documents and information can be found on the website of the [U.S. District Court for the Eastern District of North Carolina](#) or on [PACER](#) by searching for Case No. 5:20-CR-245-1D(2).