Winans Family Member to Serve 14 Years for $8M Ponzi Scheme

Michael Winans Jr., of the prominent gospel-singing Winans family, was sentenced this week to nearly 14 years in prison for an $8 million Ponzi scheme carried out in Christian churches.

Winans—son of Michael Winans Sr., a member of the Gospel Hall of Fame quartet The Winans—pleaded guilty in October to lying to more than 1,000 people who thought they were investing in Saudi Arabian crude oil bonds.

U.S. District Court Judge Sean Cox sentenced Winans on Wednesday to 165 months in prison, which exceeded the prosecutors' recommendation of at least 12 1/2 years. The nephew of award-winning singers Bebe and Cece Winans must also pay nearly $4.8 million in restitution to about 600 people.

"On more than one occasion, you went into church … and perpetrated fraud on these good, decent churchgoing people—that was very, very troubling to me," Cox said in a Detroit federal courtroom Wednesday.

Under the scheme, 30-year-old Winans, a recording artist and music producer who has worked with Diddy, Chris Brown and several others, collected $8 million between October 2007 and September 2008 through his connections with churches in Michigan. Promising investors they would get 100 percent returns within two months, he often received between $1,000 and $7,000 from each victim. Federal investigators say Winans instead used the money for his personal use or to pay off earlier investors.

Cox said Winans "may have believed this was a legitimate investment in the first few months," but he continued the scheme even after he knew the truth.

Judge Cox read some of the 50 letters written by the scheme's victims, who say the Maryland native ruined their lives.

"This didn't just impact people's pockets," Cox said. "Families broke up. The defendant would have people recruit other people for him. When this came out as a fraud, (investors) were not only upset with the defendant; they became upset with the people they gave money to."

Winans "repented" in court on Wednesday, insisting that he carried out the scheme in good faith, saying he wanted to help people better their lives.

"I caused financial and emotional damage," Winans told the judge. "For that I repent.

"There was zero malicious intent on my part," he added. "This investment was presented as a good thing to me, and I wanted people to have a better life."

Winans' attorney, William Hatchett, has insisted that no other Winans family members were involved in the scam.