

# ***NEWS RELEASE***

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***OFFICE OF THE UNITED STATES ATTORNEY  
SOUTHERN DISTRICT OF CALIFORNIA  
San Diego, California***

***United States Attorney  
Karen P. Hewitt***

***For Further Information, Contact:***

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***Assistant United States Attorney Steven A. Peak 619-557-6932***

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***For Immediate Release***

**LEAD DEFENDANT RESENTENCED IN NATIONWIDE  
INVESTMENT FRAUD SCHEME TO ALMOST 16 YEARS IN PRISON**

**NEWS RELEASE SUMMARY** – June 18, 2007

United States Attorney Karen P. Hewitt announced that United States District Judge Barry Ted Moskowitz today resentenced Marc David Levine, a promoter of a telemarketing scheme that defrauded over 3,000 victims of almost \$50,000,000, to serve 193 months of imprisonment, and three years of supervised release (during which he will be confined to his home except to work), to pay a \$2,200 penalty assessment, and to pay \$49,050,378 in restitution to victims. Judge Moskowitz imposed the unusual home confinement to allow Levine to earn money to pay the ordered restitution.

According to U.S. Attorney Hewitt, Levine, 49, formerly a resident of Woodland Hills, California, was convicted on January 24, 2003, after a lengthy trial of 22 counts of conspiracy to commit wire fraud, mail fraud, and securities fraud, substantive counts of mail and wire fraud, conspiracy to commit money laundering to promote the fraud and to conceal the proceeds received, substantive money laundering, and conspiracy to defraud agencies of the United States, specifically the Securities and Exchange Commission, the Federal

Trade Commission and the Department of the Treasury. At Levine's original sentencing on June 5, 2003, Judge Moskowitz sentenced him to serve a term of 292 months in prison, followed by three years supervised release, and to pay a \$2,200 special penalty assessment. Levine was also ordered to pay \$49,050,378 in restitution to victims. The United States Court of Appeals for the Ninth Circuit affirmed Levine's conviction on April 24, 2006, but remanded the case to Judge Moskowitz for possible resentencing because the United States Sentencing Guidelines which were mandatory at the original sentencing have since been made advisory only. Levine has been in federal custody since his 2003 conviction and during the time he challenged that conviction on appeal.

U.S. Attorney Hewitt stated, "The massive scope of the fraud in this case fully justified the sentence."

"Individuals who lure investors under false pretenses of large profits will be prosecuted," said Acting Special Agent in Charge Ronald Krajewski, IRS Criminal Investigation, San Diego Field Office. "IRS Special Agents will aggressively investigate telemarketers who fraudulently solicit funds; launder funds for their personal financial benefit; and evade income taxes on their ill-gotten gains."

According to Hewitt, the charges for which Levine was sentenced arose out of his involvement with a telemarketing organization (described in court papers as "the Enterprise") which was headquartered in Los Angeles, but operated boiler rooms in several U.S. cities, including San Diego, Las Vegas, Nevada, and Tampa, Florida, and defrauded over 3,000 victims nationwide of almost \$50,000,000 through its design, development and marketing of a series of "high-tech," telecommunications-related securities (including 900-number, pay-per-call services, virtual shopping malls and Internet service providers in various U.S. cities), which were not registered as required by law and which were fraudulently described to investors as "general partnerships."

According to Assistant United States Attorney Steven A. Peak, the lead prosecutor handling the case, the evidence at trial demonstrated, as did the earlier admissions by other defendants in their guilty pleas, that the participants in the conspiracy also defrauded agencies of the United States by deceitful and dishonest

means, including the use of nominee entities in which to receive funds for their benefit. These conspirators used foreign and domestic nominee corporations, attorney client trust accounts, financial accounts of family members, and trusts in which to hide monies from the SEC, FTC and the Department of the Treasury, including the Turks and Caicos Islands, the Cayman Islands, Hong Kong, and the Cook Islands. Peak said that the evidence at trial also established that Levine and his co-conspirators engaged in money laundering in order to promote the illegal activities of the Enterprise, such as payments made to the boiler room owners, who in turn paid the salespersons, and to conceal the proceeds of their fraud by the use of nominees, attorney client trust accounts, relatives and trusts as well as to avoid the Department of the Treasury's currency reporting requirements. Evidence at trial showed that Levine and others also destroyed some of the books and records of the Enterprise in order to prevent the government agencies from determining the specific monies each defendant had received from the scheme. Levine personally received \$1.8 million from the scheme, yet never filed an individual income tax return for those years or paid any income taxes.

**DEFENDANT**

**Case Number: 01CR1415-BTM**

**Marc David Levine**

**SUMMARY OF CHARGES**

Title 18, U.S.C., Sec. 371 - Conspiracy to Commit Wire Fraud, Mail Fraud, Securities Fraud and Conspiracy to Defraud the United States

Title 18, U.S.C., Sec. 1343 - Wire Fraud

Title 18, U.S.C., Sec. 1341 - Mail Fraud

Title 18, U.S.C., Sec. 1956(h) - Conspiracy to Commit Money Laundering

Title 18, U.S.C., Sec. 1956(a)(1)(A)(i) - Money Laundering (Promotion)

**AGENCIES**

San Diego Boiler Room Task Force  
Federal Bureau of Investigation, San Diego Division  
Internal Revenue Service, Criminal Investigation Division  
United States Postal Inspection Service  
Securities Fraud Task Force, Tampa, Florida  
Federal Bureau of Investigation, Tampa Division  
Florida Comptroller's Office, Division of Investigations  
California Department of Corporations