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Thom Mrozek
Public Affairs Officer

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FINAL DEFENDANT IN \$6 MILLION FRAUD CASE INVOLVING BILLS FOR NONEXISTENT ADS SENTENCED TO 5½ YEARS IN PRISON

The seventh person convicted in relation to a scheme that collected more than \$6 million from companies and organizations that thought they were paying for advertisements that had run in various minority-themed publications was sentenced today to 66 months in federal prison.

Joshua Hoffman, 40, of Malibu, was sentenced by United States District Judge George H. Wu. In addition to the 5½-year prison term, Judge Wu ordered the defendant to pay \$2,132,784 in restitution to 277 victims.

Hoffman pleaded guilty in May 2009 to conspiring to commit mail fraud and wire fraud, a charge related to a telemarketing scam involving RAB Publications, a company run out of a Tarzana motel room that claimed to put out several publications and bilked numerous entities with false invoices for advertising purportedly aimed at minority readers. Hoffman and others involved in the scheme contacted various organizations and collected money based on false claims that the organizations had purchased advertising in the publications.

Previously in this case, six other defendants were sentenced to prison. They are:

Richard A. Bivona, 63, of Woodland Hills, the leader of the fraud scheme, who was sentenced to 87 months in prison and ordered to pay \$3,057,978 in restitution;

Frank Hightower, 63, of North Hollywood, who was convicted after a jury trial and was sentenced to 51 months in prison and ordered to pay nearly \$2.1 million in restitution;

Mark Scott, 43, of Los Angeles, who was sentenced to 41 months in prison and ordered to pay more than \$2.1 million restitution;

Michael Borodzicz, 56, of Van Nuys, who was sentenced to 41 months in prison and ordered to pay more than \$1.9 million in restitution;

Thomas Woods, 58, of Van Nuys, who was sentenced to 37 months in prison and ordered to pay more than \$900,000 in restitution; and

Jeff Hillman, 55, of Calabasas, who was sentenced to seven months in prison on tax evasion charges and ordered to pay \$12,667 in restitution to the IRS.

Bivona and his collection agents ran a scheme in which they contacted various entities and attempted to convince them that they had purchased advertising in bogus publications that they called The Veteran's Observer, American Black Employment Journal, The Hispanic World News, Women's World News, and Israel Today/Jewish News. The defendants generally targeted entities by contacting officials who had the ability to pay invoices and telling them that a former employee had authorized the purchase of ads in the bogus publications. In many cases, the purported publications were never printed. In other cases, the publications were printed long after the purported publication dates for the sole purpose of generating "tear sheets" to convince victim entities that the purported advertisements were real.

As a result of the conspiracy, victim entities lost more than \$6 million. The victims in the case include the American Red Cross, Southeastern Michigan; ChoicePoint, Inc.; the County of Sacramento; E*Trade Financial; Fed Ex Ground Package System; Instinet; and United Defense.

This case is the result of an investigation by IRS - Criminal Investigation; the United States Postal Inspection Service; the Department of Defense, Office of Inspector General; and the California Department of Justice.