

Huntington Park man to be sentenced for mail fraud

Federal prosecutors are expected to ask a judge today to sentence a Huntington Park man to 27 years behind bars for bilking more than 2,000 investors out of more than \$62 million in a real estate scam.

Milton Retana, 45, was convicted in January in U.S. District Court in downtown Los Angeles of six counts of mail fraud and one count of lying to agents investigating him, said Thom Mrozek, a spokesman for the U.S. Attorney's Office.

According to prosecutors, Retana used his firm, Best Diamond Funding, as a cover for a massive Ponzi scheme. By promising returns up to 84 percent per year, he urged investors to take out mortgages to raise investment money, Mrozek said.

Victims were told that Best Diamond Funding used its profits from its gem business to buy, then resell, homes, and that the company often bought 50- 60 houses at a time, according to Mrozek. Retana falsely claimed he employed some 60 real estate agents, the U.S. Attorney's Office said.

But Retana had only five licensed agents and bought fewer than 50 properties, prosecutors said.

Mrozek said U.S. District Judge R. Gary Klausner had received letters from about 800 victims — many of whom are expected to be in court today — describing their losses and urging him to sentence Retana to a harsh penalty.

In a sentencing document filed by the U.S. Attorney's Office, prosecutors recommend Klausner impose a term of 27 years behind bars.

The case stems from 2008, when postal inspectors and FBI agents raided Best Diamond Funding and a next-door religious bookstore owned by Retana's wife.

Agents said they recovered nearly \$4 million in cash in the office and the store, called Libreria del Exito Mundo, on Pacific Boulevard in Huntington Park.

A Ponzi scheme, named for a con man who took Bostonians for millions in the 1920s, is a financial ruse in which early "investors" are paid high returns from newly received funds. And while such schemes may work in the short run, they eventually collapse unless the operator is able to keep cash coming in.