

United States Department of Justice

For Immediate Release

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Central District of California

San Fernando Valley Man Pleads Guilty in \$39 Million Ponzi Scheme - Following Son's Guilty Pleas, Father Admits Role in Scheme that Bilked 1,000

A Sherman Oaks man pleaded guilty today to 26 felony counts related to a long—running scam that offered investments in, among other things, caffeinated mints and took approximately \$39 million from 1,000 victims across the United States.

Richard Alan Cohen, 61, pleaded guilty this morning in United States District Court to fraud, money laundering and tax offenses.

Richard Cohen's son, Daniel Cohen, 34, of Calabasas, pleaded guilty on April 22 to 20 felony counts related to the scheme that utilized a number of sham companies, including one called Euromints.

Both Cohens face hundreds of years in federal prison when they are sentenced in the fall by United States District Judge George H. Wu.

In the mid—1990s, the Cohens formed several companies – including Eurobrand, LLC, doing business as Euromints; Samuel & Cohen Media, LLC; Mintech International, Inc.; and Rig Leasing, Inc. – that they used to solicit investors with claims that the businesses were successful and generated large profits. Potential investors were solicited in several ways, including by a team of salespeople who worked in a “boiler room” in Calabasas. In addition to making claims that the businesses were viable and successful, salespeople often told potential investors that the companies were on the verge of “going public” or were going to be taken over by larger companies. Salespeople commonly told potential investors that they could buy company stock from a widowed investor who was willing to sell her investment at a discounted price.

In reality, the Cohen companies were not successful, the stock certificates issued by the companies were worthless, and a substantial portion of the money received from victim—investors was skimmed by the Cohens to fund their lavish lifestyles, which included luxury automobiles and Daniel Cohen's “palatial” home in Calabasas.

As part of the scheme, the Cohens were involved in related fraudulent activity, which included Richard Cohen's efforts to avoid paying restitution to victims who lost money when his commodities investment company, Madison Financial, was shut down by the Commodities Futures Trading Commission. Richard Cohen withheld information from the CFTC through a number of ways, including having his son pay rent on his \$8,500—a—month Bel Air residence and using an American Express Black card in his son's name to conceal hundreds of thousands

of dollars in income that had been misappropriated from investors.

Both Richard and Daniel Cohen pleaded guilty to conspiracy, 11 counts of mail fraud, two counts of causing victims to travel in relation to a fraud, and conspiracy to evade tax laws. Richard Cohen additionally pleaded guilty to two counts of money laundering, three counts of making false statements to the CFTC, two counts of filing false tax returns and three counts of tax evasion. Additionally, Daniel Cohen pleaded guilty to five counts of money laundering.

Richard Cohen is scheduled to be sentenced by Judge Wu on October 7, at which time he faces a statutory maximum sentence of 306 years in federal prison. Richard Cohen today agreed to surrender to begin serving his sentence on May 28.

Daniel Cohen is scheduled to be sentenced on September 23, at which time he faces a statutory maximum sentence of 290 years in prison. Daniel Cohen has been in custody since July 2009.

A third defendant involved in the Cohens' scheme – Joshua Hoffman, 40, of Malibu – was sentenced in March to 5½ years in prison after pleading guilty in this case, as well as pleading guilty in another fraud case that defrauded various companies and organizations that thought they were purchasing advertising in magazines (see:

<http://www.justice.gov/usao/cac/pressroom/pr2010/049.html>).

The investigation into the Cohens and their companies was conducted by IRS — Criminal Investigation, the United States Postal Inspection Service and the Federal Bureau of Investigation.