



FOR IMMEDIATE RELEASE
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*Office of the United States Attorney
District of Arizona*

For Information Contact Public Affairs
SANDY RAYNOR
Telephone: (602) 514-7625
Cell: (602) 525-2681

TWO ARIZONANS AND TWO OTHERS INDICTED FOR INVESTMENT FRAUD

90-count indictment alleges at least 300 victims invested \$8 million during scheme

PHOENIX – A federal grand jury returned a 90-count indictment against operators of Mac Investments, Inc. (MAC.) The recently unsealed indictment charges Jeff Teitelbaum, 41, of Mesa, Ariz.; Maria Gonzalez, 41, of Tempe, Ariz.; Christopher Livanos, 47, of Fraser, Colorado; and William Hoberg, 52, of Seaford, New York, with Conspiracy, Wire and Mail Fraud, as well as Transactional Money Laundering. The indictment alleges that the defendants deceived victims into believing they were investing their money in a cashless ATM business opportunity promoted by the defendants through MAC.

Livanos was arrested without incident today in Fraser, Colorado and will make an appearance there today in federal court. Gonzalez and Hoberg received summonses and will be arraigned on the charges in Phoenix on March 11, 2009 at 10:45 before U.S. Magistrate Judge David K. Duncan. Teitelbaum remains at large. Anyone with information on Teitelbaum's whereabouts is asked to call the U.S. Postal Inspection Service toll free at 877-876-2455.

The indictment alleges that between March 2003 and January 2005, at least 300 victim investors paid in excess of \$8 million to participate in MAC's cashless ATM business program. The ATMs were purportedly small terminals that would issue a paper receipt for bank account withdrawals. The receipt was to be redeemed for cash at the establishment where the cashless ATM was placed. The defendants marketed the cashless ATMs for approximately \$1,500 per unit, claiming victim investors could expect revenues of \$1 to \$2 per ATM customer transaction. Most victim investors purchased numerous machines, which were to be placed at undisclosed retail locations by the MAC defendants. Victim investors were led to believe the ATM machines would be placed in casinos, fast food restaurants and other retail establishments. The defendants claimed MAC would maintain the machines and administer the payment of revenues generated by the machines to each victim investor.

According to the indictment, the defendants used alias names when dealing with victim investors in the course of MAC business. Teitelbaum used the alias names of "Kevin Polardi," "Ed Perente," "Frank Blasetti," and "Mike Picozzi," representing himself as holding various positions at MAC, including president, owner, location coordinator, location manager, machine placement field coordinator, and field coordinator. Christopher Livanos used the alias of "Jim Roberts" representing that he held various positions including operations manager, general manager, manager, and owner. William Hoberg used the aliases "Jim Bulino" and "William Gordon" while representing that he was MAC's operations manager. Maria Gonzalez used the aliases "Maricruz Alvarado" and "Maria Cruz," representing that she held various positions such as: assistant manager, customer

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service manager, operations coordinator, and office manager.

In January 2005, the operations of MAC came to an abrupt halt. Victim investors were unable to contact or locate any of MAC's purported employees or officers and could not locate a single cashless ATM machine supposedly placed in service. During the course of the ensuing investigation, federal investigators discovered that MAC neither acquired nor placed any cashless ATM machines in retail locations, as represented to victim investors. The earnings statements mailed to victim investors and posted on the Web site by the defendants, were fictitious accountings, as no revenues were earned from cashless ATM transactions. Distributions made to victim investors of purported earnings, were nothing more than partial returns of other victim investor funds, in the manner of a *Ponzi* scheme. Newly acquired funds were partially disbursed to victim investors as a way to continue the fraud and entice additional investments.

A conviction for Mail or Wire Fraud carries a maximum penalty of 20 years in prison, a \$250,000 fine or both. A conviction for Money Laundering carries a maximum penalty of 10 years in prison, a \$250,000 fine or both. A conviction for Conspiracy carries a maximum penalty of five years in prison, a \$250,000 fine or both. In determining an actual sentence, the assigned judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the U.S. Postal Inspection Service and the Federal Bureau of Investigation. The prosecution is being handled by Peter Sexton, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-09-198-PHX-MHM
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