

The United States Attorney's Office

## Southern District of Florida

### Press Release

#### MBC SALES MANAGER PLEADS GUILTY TO TAX EVASION

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May 16, 2007

#### FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Michael Yasofsky, Special Agent in Charge, Internal Revenue Service ("IRS"), announced today that defendant **David Traina** pled guilty on May 15, 2007 before United States District Judge K. Michael Moore in Miami federal court to an Information charging him with two counts of tax evasion, in violation of 26 U.S.C. § 7201, in connection with income he made while employed at MBC in 2001 and 2002. Pursuant to the terms of the plea agreement, Traina faces up to 5 years' imprisonment on each count and agreed to be responsible for approximately \$70,000 in restitution payable to the Department of Treasury. Sentencing is scheduled for August 10, 2007.

Traina was a sales manager at Mutual Benefits Corp. ("MBC"), a viatical and life settlement company that was closed by federal regulators in May 2004. Although David Traina was an employee of MBC, he established a consulting company named Polaris Consulting, which had no employees other than David Traina, and had no offices. Traina used this "shell" company to avoid paying taxes by improperly listing personal expenses, such as veterinary bills and home cable bills, as business expenses for Polaris Consulting.

Under this scheme, David Traina filed fraudulent joint tax returns, Forms 1040, on behalf of himself and his wife, in which he overstated deductions by approximately \$198,000. Traina consequently owed an additional \$70,00 in taxes for the 2001 and 2002 calendar years.

MBC victims/investors may obtain information concerning all MBC related cases at <http://www.usdoj.gov/usao/fls/VictimWitness.html>.

Mr. Acosta commended the investigative efforts of the IRS and the Southeast Regional Office of the Securities and Exchange Commission. The matter is being handled by Assistant United States Attorney Andrew K. Levi and Special Assistant United States Attorney Ryan Dwight O'Quinn.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

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