



Department of Justice

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**FORMER MASSACHUSETTS DIRECT MAIL PRINTING EXECUTIVE SENTENCED
TO SERVE 30 MONTHS IN PRISON FOR HIS ROLE IN FRAUD CONSPIRACIES
AND TAX EVASION**

WASHINGTON — A former employee of two Massachusetts-based customer relationship management agencies that purchase direct mail advertising services was sentenced today for participating in fraud conspiracies and committing tax evasion relating to his receipt of more than \$1.8 million in kickbacks, the Department of Justice announced.

Reed A. Richard of Carlisle, Mass., was sentenced in U.S. District Court in Boston by Judge Douglas P. Woodlock to serve 30 months in prison, to pay a \$250,000 criminal fine and to pay \$35,500 in restitution. On Dec. 14, 2010, Richard pleaded guilty to conspiring with others to defraud his employers, Mullen Advertising Inc. and PreVision Marketing LLC, by accepting kickbacks from two direct mail advertising printing brokers in exchange for awarding printing work to the companies that the brokers represented. Richard also pleaded guilty to one count of tax evasion for tax years 2004 and 2005 for falsely claiming substantial personal expenses as business expenses. The department said that the conspiracies took place from approximately January 2000 through approximately February 2006.

Direct mail advertising allows companies to specifically target potential customers and contact them with tailored offers, promotional materials or advertisements using the U.S. mail.

According to the court documents, as a vice president of direct marketing production services of Mullen Advertising, and later as a senior production manager of PreVision Marketing, Richard was responsible for procuring direct mail printing services by obtaining competitive bids from printing companies, awarding contracts, reviewing invoices and authorizing payment. As part of the conspiracies, Richard approved invoices, issued by or through the printing brokers, while knowing that they were fraudulently inflated to include the kickbacks he was to receive. The department said that a portion of these overcharges were passed from the brokers to Richard as kickback payments. According to the court documents, in order to conceal his role in the scheme, Richard used a shell company which purportedly provided consulting services to the printing brokers but was in fact a vehicle for Richard to receive the kickbacks. In addition to the conspiracies, Richard claimed substantial illegitimate business deductions on his company's federal income tax returns. The department said that, as a result, he under-reported his corporate and personal taxable income, resulting in a total tax loss of approximately \$170,000.

Today's sentencing is a result of an ongoing investigation into the direct mail printing industry being conducted by the Antitrust Division's New York Field Office, with the assistance of the Internal Revenue Service (IRS)-Criminal Investigation, in Springfield, Mass.

Anyone with information concerning fraud, antitrust or tax offenses relating to the direct mail printing industry should contact the Antitrust Division's New York Field Office at 212-264-9308, visit www.justice.gov/atr/contact/newcase.htm or contact the IRS-Criminal Investigation's Springfield Office at 413-785-0090.

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