



NEWS RELEASE

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ORANGE COUNTY MAN SENTENCED TO EIGHTS YEARS IN PRISON FOR RUNNING INVESTMENT SCAM THROUGH POWER COMPANY

The head of a now-defunct energy company that was set up after California deregulated the power industry was sentenced today to eight years in federal prison for his role in a scam that offered investments in the fraudulent company.

Illya Bond, 57, of Newport Beach, the former chief executive officer of PowerSource Corporation of Los Angeles, was sentenced this morning by United States District Court Judge Percy Anderson in Los Angeles. Calling Bond "nothing more than a professional confidence man," Judge Anderson also ordered him to pay more than \$2.4 million in restitution.

In January, a federal jury found Bond guilty of conspiracy, mail fraud, wire fraud and making a false statement to special agents with the FBI. The evidence presented during a two-week trial showed that Bond orchestrated an investment scheme at PowerSource that bilked more than 100 people out of more than \$2.4 million.

PowerSource was one of the "energy service providers" that entered California's newly deregulated electricity industry in 1998. The scheme used spam e-mail, an Internet site and fraudulent telemarketing sales calls to lure in victims from across the country. The investors purchased \$10,000 units in a series of limited liability partnerships that were supposed to finance PowerSource. The company went out of business in 2001 when the scheme collapsed.

Bond helped create fraudulent sales materials that were provided to

investors. The materials contained impressive resumes for individuals who supposedly sat on a non-existent "Executive Utility Committee," falsely claimed that the company had 10 years of experience and promoted products that did not exist. Furthermore, the sales materials concealed the fact that 61 percent of investments went to pay sales commissions

Bond, who also used the name Frank Akbery, is also the former owner and operator of Bond, Aust, and Greene of Irvine and Bond Capital Management of Newport Beach.

PowerSource's president, E. Douglas Mitchell, of San Marcos, California, was convicted of similar charges after a trial in 2004 in Fort Lauderdale, Florida. Mitchell died before sentencing. Three other Southern Californian men – Ronald W. Johnson of Rancho Santa Margarita, James V. Miles of Bakersfield, and Gary Spink of Menifee – and three people from Florida were prosecuted and convicted in Fort Lauderdale, Florida. These six defendants received sentences ranging from six months to five years in prison.

This case was investigated by the United States Postal Inspection Service and the Federal Bureau of Investigation. The Federal Trade Commission provided assistance in the investigation.

Department of Justice trial attorneys Barbara Wells and Patrick Jasperse of the Office of Consumer Litigation prosecuted the cases stemming from the PowerSource fraud. Assistant United States Attorney Julie Werner-Simon worked on the Bond case in Los Angeles.