

Southern District of Florida

Press Release

BUSINESS OPPORTUNITY SALESMAN SENTENCED IN DVD VENDING MACHINE SCAM

April 18, 2007

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Henry Gutierrez, Inspector in Charge, Miami Division, United States Postal Inspection Service, announced today that another salesman was sentenced to prison in connection with a DVD vending machine scam that defrauded more than 400 consumers throughout the United States of \$19 million.

United States District Court Judge Kenneth A. Marra today sentenced defendant **Mauricio Paz** to 42 months in prison and ordered him to pay \$4.8 million in restitution to the victims. Paz pled guilty to one count of mail fraud and cooperated with the government in its investigation.

Paz was a sales representative at American Entertainment Distributors, Inc. ("AED"), a company based in Hollywood, Florida, which fraudulently sold a "business opportunity" involving DVD vending machines.

AED used wildly exaggerated profit projections, falsely promised to secure good locations for the machines, exaggerated the company's longevity, and used phony references. AED's customers thought they were buying a pre-packaged business that would be easy to operate, but many of them never received machines or locations. Other victims received machines that frequently broke and never turned a profit.

Paz is the ninth defendant who has been sent to prison in connection with his work for AED. The prosecution is part of a crackdown on business opportunity fraud by the U.S. Attorney's Office, Department of Justice, Postal Inspection Service, and Federal Trade Commission that during the last several years has resulted in more than 50 convictions.

Mr. Acosta commended the investigative efforts of the United States Postal Inspection Service. This case is being prosecuted by Patrick Jasperse and Douglas Stearn, Trial Attorneys, United States Department of Justice, Office of Consumer Litigation.

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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