

Southern District of Florida

Press Release

MBC MANAGERS SENTENCED TO FIVE YEARS FOR ROLE IN \$826 MILLION SECURITIES FRAUD

May 8, 2007

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Jonathan I. Solomon, Special Agent in Charge, Federal Bureau of Investigation ("FBI"), announced that defendants **Carol Traina** and **Bari Wiggins** were sentenced today to five (5) years' imprisonment, followed by three (3) years probation by United States District Judge Paul C. Huck in Miami. The defendants were also ordered to pay approximately \$826 million in restitution to MBC investors. Traina and Wiggins were employee-managers at Mutual Benefits Corp. ("MBC"), a viatical and life settlement company that was closed by federal regulators in May 2004. On February 27, 2007, Traina and Wiggins each pled guilty to an Information charging one count of conspiracy to commit securities fraud, in violation of 18 U.S.C. §371 in connection with MBC's billion dollar securities offering.

According to the Information, Traina, as MBC's Office Manager, assisted MBC's principals with the management of an international network of sales agents and marketing directors. Under her supervision, MBC's sales agents misrepresented the safety and security of the investments that MBC offered and sold. Traina also admitted to a role in the creation and distribution of false and misleading life expectancy letters that misrepresented the health condition of insureds underlying MBC's life insurance policies.

Under the supervision of MBC's principals, Wiggins managed MBC's Policy Services Department. In this position, Wiggins oversaw the acquisition of insurance policies. Wiggins admitted that she acquired MBC's insurance policies, knowing that sales agents were misleading investors about the safety and security of MBC's investments. Wiggins further admitted that she helped MBC fraudulently obtain certain group insurance policies, which also placed investors at risk of losing their money.

Victims/investors may obtain information concerning this case, or submit victim impact statements concerning this case at <http://www.usdoj.gov/usao/fls/VictimWitness.html>.

Mr. Acosta commended the investigative efforts of the FBI 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

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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