



Department of Justice



United States Attorney Melinda Haag
Northern District of California

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CO-FOUNDER AND FORMER CEO OF TECHNOLOGY COMPANY SENTENCED TO 22 YEARS IN PRISON FOR \$30 MILLION FRAUD SCHEME

Mouli Cohen Defrauded Scores of Victims, Including Vanguard Public Foundation Supporters

SAN FRANCISCO – Mouli Cohen (aka Samuel Cohen) was sentenced today to 22 years in prison for operating an investment scheme over the course of several years in which he scammed more than 50 victims out of approximately \$31 million, United States Attorney Melinda Haag announced.

On Nov. 9, 2011, after a trial of approximately one month, a jury convicted Cohen of 15 counts of wire fraud, 11 counts of money laundering and three counts of tax evasion. The jury acquitted Cohen of four counts of wire fraud and two counts of money laundering. After the jury's verdict, United States District Court Judge Charles R. Breyer remanded Cohen into custody.

Evidence at trial showed that Cohen, 54, formerly of Belvedere, Calif., and Lower Bel Air, Calif., falsely told prospective investors – most of whom were affiliated with the Vanguard Public Foundation, the former San Francisco non-profit organization – that Cohen's company, Ecast, Inc., was about to be acquired by Microsoft. Based on those false representations, victims purchased more than \$6 million of Cohen's founders' shares in Ecast. Cohen falsely represented that this investment would provide an opportunity for the investors to contribute a substantial amount of the profits to the Vanguard Public Foundation non-profit organization.

Over time, however, Cohen falsely told investors that United States regulators, and later European Union regulators, were delaying the approval of the acquisition. Cohen falsely claimed that the investors needed to pay their share of the fees and to post bonds held in escrow to assure the acquisition was completed, or the investors would lose their prior investment. Cohen falsely told the investors that other, larger investors – such as various Silicon Valley venture capital firms – also were paying their pro rata share of these bonds and fees. In addition to their initial \$6.2 million dollar investment, over the course of approximately three years scores of investors paid \$25 million toward this purported acquisition based on Cohen’s false representations about the non-existent acquisition of Ecast.

In fact, as Cohen knew, there never was any actual or potential acquisition of Ecast by Microsoft. Instead, evidence showed that while pulling in millions of dollars from this fraudulent scheme, Cohen spent money on, for example, more than \$6 million on private jet rentals; hundreds of thousands of dollars worth of jewelry; a Rolls Royce; an Aston Martin; a Jaguar; numerous luxury vacations to destinations such as Italy, the south of France, and the Caribbean; and \$15,000 per month to rent a home in Belvedere, Calif. Finally, despite collecting tens of millions of dollars from victims and spending huge amounts to live a lavish lifestyle, Cohen reported almost no income on his tax returns and paid zero taxes.

Cohen was indicted by a federal grand jury on July 15, 2010, and charged with nineteen counts of wire fraud and thirteen counts of money laundering. That Indictment was unsealed when Mr. Cohen was arrested in southern California on Aug. 5, 2010. On Aug. 2, 2011, a federal grand jury returned a Superseding Indictment against Cohen, adding three counts of tax evasion.

The sentence was handed down by U.S. District Court Judge Charles R. Breyer. Judge Breyer also ordered a money judgment against Cohen in the amount of \$31,422,403.06 and sentenced the defendant to three years of supervised release, a fine of \$25,000 and a special assessment of \$2,900. Cohen remains in custody.

Hallie Mitchell and Doug Sprague are the Assistant U.S. Attorneys who prosecuted the case with the assistance of Beth Margen and Rayneisha Booth. The prosecution is the result of a one-year investigation by the Internal Revenue Service Criminal Investigation, and the Federal Bureau of Investigation.

This law enforcement action is part of President Barack Obama’s Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial

crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

Further Information:

Case #: CR 10-0547 CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

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