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KATHRYN E. LANDRETH, United States Attorney for the District of Nevada, and FRANKIE SUE DEL PAPA, Attorney General of the State of Nevada, announced the federal grand jury indictment of Eric Stein, Ruth Garcia Stein, Ina Liberty Bell, Gary Litt, Charles Randall Lazer, Glen Schaefer, Michael Anderson, Denyse Anderson, David Hoptar and Vem Epstein on charges of conspiracy, money laundering, mail fraud, and securities fraud for their roles in the sale of Media Units offered by The Sterling Group, a company that conducted business in Las Vegas, Nevada, in 1997 and 1998. This indictment marks the culmination of a year-long combined state and federal investigation into criminal conduct that victimized numerous Nevada and out-of-state investors.

The one hundred and nineteen count indictment alleges that the defendants engaged in a Ponzi scheme by selling investment contracts called Media Units from The Sterling Group, while representing that ne Sterling Group was using the proceeds from the sales of Media Units to purchase television commercial time to advertise and sell products to generate profits for purchasers of the Media Units. According to the indictment, The Sterling Group induced investors to part with approximately thirty-four million dollars. If convicted, the defendants face a statutory maximum sentence of 20 years per money laundering count. The indictment alleges thatme Sterling Group did not in fact use the funds invested to sell products, but instead used proceeds from later sales of Media Units to pay earlier investors. By funneling the funds received from new investors to previous investors in the guise of profits, the defendants cultivated the illusion that a legitimate profit-making business opportunity existed, which in turn attracted more investors.

The case is being prosecuted by Assistant United States Attorney Joseph E. Sullivan and Deputy Attorney General Matthew S. Gabe, who has been cross-designated as a Special Assistant United States Attorney for purposes of the case. The case has been investigated by Marie Timms, United States Postal Inspection Service, Mark Medina, State of Nevada, Securities Division, and the Federal Bureau of Investigation.