



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Los Angeles Field Office
Jose A. Gonzalez, Special Agent in Charge

Date: October 24, 2013

Contact: Special Agent Linda Lowery, Public Information Officer
IRS – Criminal Investigation
300 North Los Angeles Street, Room 5016
Los Angeles, CA 90012
Email: linda.lowery@ci.irs.gov
CI Release #: LAFO-2013-10

Los Angeles Man Sentenced to 60 Months in a Multi-Million Dollar Scheme to Defraud a Professional Football Player

Los Angeles – Appearing before United States District Judge Stephen V. Wilson, a Los Angeles man was sentenced today to 60 months in federal prison for defrauding professional football player Dwight Freeney in a multi-million dollar fraud scheme.

Michael A. Stern, also known as Michael Millar, 53, was further ordered to pay restitution in the amount of \$2,594,600 to Freeney.

In August 2012, Stern was charged in a multi-count federal indictment with wire fraud, access device fraud, money laundering, and obstruction of justice. In January 2013, Stern pled guilty to count eight of the indictment, which charged him with access device fraud.

According to documents filed with the court, Stern was introduced to Freeney in approximately February 2010 by Freeney's financial manager. However, both the financial manager and Stern falsely claimed that Stern's name was "Michael Millar." Stern falsely presented himself to Freeney as a wealthy and successful business man who could assist Freeney in a variety of ways. Stern further falsely presented himself as a potential partner and investor in Rolling Stone Los Angeles ("RSLA"), a Hollywood, California restaurant owned by Freeney and Roof Group, LLC – a limited liability company controlled by Freeney. And, while in the months following his initial meeting with Freeney, Stern had some involvement with Freeney and RSLA, Stern never invested any money in the restaurant and there was never any agreement that Freeney, Roof Group, or RSLA owed Stern any money.

However, despite the fact that he was neither employed nor owed any money by Freeney, Roof Group, or RSLA, from approximately June 2010 until approximately October 2011, Stern fraudulently gained access to several of Freeney's personal and

Roof Group bank accounts. While Stern was not a signatory on any of Freeney's bank accounts, he was able to fraudulently gain access to the accounts – without Freeney's knowledge or permission - based on information that he obtained through Freeney's financial manager. Once he gained access to Freeney's accounts, Stern engaged in over 400 separate fraudulent transactions that ultimately resulted in losses of approximately \$3 million to Freeney.

According to documents filed with the court, Stern used the money he stole from Freeney's accounts to pay for personal expenses that were unrelated to Freeney, Roof Group, or RSLA. For example, tens of thousands of dollars of Freeney's money was used to pay for Stern's legal bills in connection with various unrelated civil and bankruptcy proceedings in Florida. Stern also used Freeney's money to pay for jewelry, lavish foreign vacations for himself and his family, the private school tuition of his children, and for day-to-day expenses like gasoline and groceries. Finally, several hundred thousand dollars of Freeney's money was used in an attempt to purchase a private plane for Stern. All of this was done without Freeney's knowledge or permission.

Further, in early 2012, Stern became aware that the FBI was investigating his activities with respect to Freeney. Fearing that the FBI would soon uncover evidence of his fraudulent scheme, in March 2012, in a series of recorded conversations with an FBI Confidential Informant ("CI"), Stern instructed the CI to fly to Los Angeles to destroy a computer hard drive that Stern believed contained incriminating evidence.

Stern was arrested on March 22, 2012, at the Miami International Airport. At the time of his arrest, Stern had on his person two checks – totaling approximately \$35,000 – made out to Freeney. In addition, Stern was in possession of a Bank of America debit card with Freeney's name on it.

On June 24, 2013, Freeney's former financial manager pled guilty in a related case to a single-count information charging her with accessory after the fact. She is scheduled to be sentenced by Judge Wilson in December 2013.

The case against Stern resulted from an investigation by the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigation.

###

United States Attorney's Office contact:

Assistant United States Attorney
Peter W. Baldwin
(213) 894-2302