

U.S. Department of Justice

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Eastern District of Virginia

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NEWS RELEASE

_____ Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today the sentencings of Lamont C. Knight, Richard A. Hertz, and Thomas W. Hofler, all of Richmond, Virginia, on numerous counts of wire fraud and money laundering. Knight was also sentenced on two counts of perjury arising from his deposition testimony in civil lawsuits brought by victims of the fraud scheme. United States District Judge James R. Spencer sentenced Knight, age 43, a pastor of a local church and also the former President of Athletes for Jesus, to a term of 135 months of imprisonment; Hofler, age 35, a church board member and a home health care executive, to 108 months of imprisonment; and Hertz, age 51, also a minister in a local church, to 97 months of imprisonment. In addition, all three defendants will be jointly and severally liable for restitution. The restitution amounts will be finalized within 90 days.

The defendants were convicted on February 18, 2004, after a 5 week jury trial before Judge Spencer. The case involved a multi-million dollar Ponzi scheme, perpetrated by the defendants in churches in Virginia, North Carolina, Missouri, Illinois, New Jersey, Texas, and Georgia. The defendants promoted an "investment" program involving "high yield trading" financial instruments that paid higher than market rates of return. Employing this scheme, the defendants obtained more than \$5 million from approximately 70 potential investors, most of whom were members of churches associated with the defendants. Many invested their retirement

funds from their IRA and 401(k) accounts. Each of the defendants profited extensively from the fraudulent scheme.

Mr. McNulty stated, "These are tough and appropriate sentences for egregious acts of fraud. They preyed upon church members and abused positions of trust as religious leaders."

Also announcing the convictions are Donald Thompson, Special-Agent-In-Charge, Federal Bureau of Investigation, Richmond Resident Office; and Susan M. Dukes, Special-Agent-In-Charge, Internal Revenue Service - Criminal Investigation, Alexandria Field Office.

The case was investigated by the Internal Revenue Service - Criminal Investigation and the Federal Bureau of Investigation. The United States was represented by Assistant United States Attorney David T. Maguire and Trial Attorney Rina C. Tucker of the Fraud Section of the United States Department of Justice.

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