

## 2 men indicted in Stevie Wonder blunder

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HONOLULU (HawaiiNewsNow)

A federal grand jury has indicted two mainland men with fraud in the Stevie Wonder blunder.

On Wednesday, the grand jury in Honolulu indicted Marc Hubbard, 44, of North Carolina, with wire fraud and Sean Barriero, 44, of Miami, with a related offense of transporting \$200,000 taken by fraud.

Florence T. Nakakuni, United States Attorney for the District of Hawaii, said Hubbard told Barriero that he had relationships inside Wonder's management to book the University of Hawaii's concert and that he was dealing with a close associate of Stevie Wonder who had approved the dates for the concert.

"In fact, Mr. Hubbard had no such connections and was never in any position to secure Stevie Wonder's appearance here in Honolulu," Nakakuni told a news conference in the federal building.

The indictment said at Hubbard's direction, Barriero of Miami falsely told UH officials the school's \$200,000 deposit had been sent to an escrow account when it went into his own bank account instead.

Barriero, a British subject who has lived in the United States for most of his life, appeared in federal court in Honolulu Thursday afternoon where he pleaded guilty as part of a plea agreement and is cooperating with prosecutors. He testified before a federal grand jury Wednesday.

"Mr. Barriero has just pled guilty to violating a federal law which criminalizes the transportation of misappropriated funds across state lines. This charge pertains to Mr. Barriero's failure to hold the university's \$200,000 in escrow as required," said Federal Public Defender Sean Coutain.

"The FBI appreciates Mr. Barriero's acceptance of responsibility in court today, and we look forward to his continued cooperation in this case," said Tom Simon, the Honolulu FBI agent who worked on the case.

The feds used bank records to trace most of the UH money to Hubbard.

"The \$120,000 that was sent to Mr. Hubbard was spent by Mr. Hubbard on personal and his own business expenses. No money went to Stevie Wonder," Nakakuni said.

The feds said another \$11,500 of UH's deposit money went to Barriero and about \$32,000 went to Sannise Crosby, Barriero's girlfriend, most of which she used to buy a Mercedes SUV in Miami. The federal government has begun forfeiture hearings on the vehicle but does not

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expect to get much money back, since she bought the \$50,000 vehicle and used \$25,000 of UH's money for a down payment, the FBI said.

Another \$11,250 went to Helen Williams, a European concert promoter who claims to live in Spain, federal prosecutors said.

"It appears that the defendants spent the money on personal expenses to pay off business debts soon after it arrived in their bank account. By the time the university became aware of the fraud, there was no cash left to recover," said FBI Special Agent In Charge Vida Bottom.

A Hawaii investor previously had transferred \$50,000 to Barriero in May 2012 to secure the concert, \$27,500 of which was transferred to Hubbard.

The indictment also alleged that in July 2012 an authorized agent for Stevie Wonder reported that neither he nor his management had any knowledge of the concert. None of the \$250,000 was transmitted to Stevie Wonder or his management.

If convicted, Hubbard faces up to 20 years imprisonment and Barriero up to ten years in prison.

In a related case that developed in recent weeks, the South Carolina Attorney General's office accused Hubbard of soliciting hundreds of thousands of dollars for a series of Alicia Keys concerts across the country that never happened. He had a company called Sports Dimension, Inc., is based in South Carolina.

Hubbard was arraigned Oct. 27 in South Carolina on one count of securities fraud and one count of forgery.

Hubbard was charged with stealing \$70,000 from the victim in that case without evidence that he had the contacts or ability to put on the Alicia Keys concerts.

Records show in December of 2009, The South Carolina Securities Commissioner issued Hubbard a "cease and desist" order, telling him to stop soliciting money for the concert tours.

The South Carolina AG said Hubbard's company collected as much as \$1.8 million from people over the last few years, even after other states including California, North Carolina and Nevada sent him similar orders to stop soliciting investments.

Hubbard's name was on a concert-related document that Hawaii News Now obtained from Oahu promoter Bob Peyton shortly after the Stevie Wonder concert was canceled in August. It's unclear whether anyone at UH knew of Hubbard's name before the university approved the concert and sent the deposit money. UH issued a written statement Thursday but did not answer reporter's questions about the matter.

If anyone connected with UH had run a background check on Hubbard -- even a quick Internet search -- they would have found he was in legal and financial trouble and the UH scam could have been avoided.

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Records show Hubbard filed for personal bankruptcy in November of 2006. His company SDI faced a federal tax lien of at least \$450,000 in October of 2008 and second tax lien in the amount of \$297,024 in January of 2009.

The local promoter for the Wonder concert, Bob Peyton, faced financial problems not long before planning for the UH event began in March of this year. His Kailua home was foreclosed upon in the fall of 2011 after he filed for Chapter 7 liquidation bankruptcy.

A UH investigation found mismanagement and little oversight led to botched Stevie Wonder concert. The report found no one at UH verified that the account to which the \$200,000 in university funds was wired was in fact an escrow account.