

## Court reinstates conviction in Hollywood South fraud case

### [Seven Arts Post on Esplanade Avenue](#)

A movie producer and a lawyer who were spared prison time in a fraud case involving Louisiana's "[Hollywood South](#)" film tax credit program faced renewed legal woes Thursday (Aug. 9) when a federal appeals court reinstated some of the convictions a judge had thrown out.

Producer Peter Hoffman and attorney Michael Arata -- the husband of former Landrieu administration Deputy Mayor Emily Arata -- [were granted probation last year](#) after U.S. District Judge Martin Feldman threw out some of their 2015 jury convictions. But a three-judge panel of the 5th U.S. Circuit Court of Appeals reinstated most of the convictions Thursday and also ordered re-sentencing.

The two men [were convicted](#) in a scheme involving fraudulent documents to get more than \$1 million in tax credits [for turning a dilapidated New Orleans mansion into a film production facility](#).

Although the jury agreed there was fraud, the facility was completed and opened. And some of the facilities tax credits were deemed legitimate.

Attorneys for Hoffman and Arata didn't immediately respond to emailed comment requests Thursday night.

Thursday's opinion acknowledged that Arata and Hoffman's venture may have been entitled to credits close to or equal to those ultimately issued by the state. But, the panel also said the jury's findings of fraud and, in Arata's case, false statements, were reasonable and that Feldman, in most cases, had erred in throwing them out.

The opinion by Judge Gregg Costa was critical of the "colossal" gap between probation handed down by Feldman and the sentence called for in guidelines -- at least 14 years.

"Some of the reasons the district court gave for its sentence, especially the uncertainty about whether Louisiana ultimately suffered any loss, are sound reasons for a downward variance, even a substantial one. But this is not a case in which the court went 50 percent or even 75 percent below the Guidelines range," Costa wrote. He added that probation would not serve as a deterrent to crime and would undermine public confidence in the justice system.

According to Thursday's ruling, Hoffman now stands convicted of 21 criminal counts -- one of conspiracy, 20 of fraud. He had been facing only 16 criminal convictions.

Arata stands convicted of one conspiracy, seven fraud and three false statement counts, according to a recap in the opinion. Until Thursday he only stood convicted of two counts.

Susan Hoffman, Peter Hoffman's wife at the time of the scheme, remains convicted of one conspiracy and two fraud counts. The appeals court upheld her probation in the case. "Whereas Peter dove head first into the fraud, Susan just dipped her toes in it," the opinion said.

All three were convicted in April 2015 in the case that shone a harsh spotlight on a program credited with bringing so much major film, television and commercial production to Louisiana that the state is sometimes known as "Hollywood South." The program has been scaled back amid state budget problems but still results in production in the state.

Judges Carolyn Dineen King and James Dennis also were on the panel. Dennis dissented in part, saying he would have affirmed Peter Hoffman's sentence.

*Kevin McGill wrote this story, (c) 2018 The Associated Press.*