



U.S. Department of Justice

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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FIVE DEFENDANTS CHARGED IN INTERNET AND SECURITIES FRAUD SCHEME

Marcos D. Jiménez, United States Attorney for the Southern District of Florida; Michael S. Clemens, Special Agent in Charge, Federal Bureau of Investigation; Brian J. Wimpling, Special Agent in Charge, Internal Revenue Service, Criminal Investigation; James K. Belz, Inspector in Charge, United States Postal Inspection Service; and Ken Jenne, Sheriff, Broward County Sheriff's Office, announced today that a grand jury sitting in Ft. Lauderdale, Florida, returned an Indictment charging, five (5) defendants, **Bernard Roemmele, Salvatore Argento, Lester Gillespie, Steve Hein, and Ben Tobin**, with crimes arising from their involvement in a complex internet fraud and securities fraud scheme. The unsealing of this Indictment, which represents one of the largest internet fraud cases to be prosecuted in the Southern District of Florida, occurred on the same day as the Department of Justice's announcement of a joint law enforcement initiative known as "Operation Web Snare." This Operation represents a coordinated initiative targeting an expansive array of Cyber Crime schemes victimizing individuals and industry worldwide.

The Indictment charges the five (5) defendants with one (1) count of conspiring to violate the Racketeering Influenced and Corrupt Organizations ("RICO") Act, in violation of Title 18, United States Code, Section 1962(d); one (1) count of conspiring to commit mail and wire fraud, in violation of Title 18, United States Code, Section 317; and one (1) count of conspiring to commit money laundering, in violation of Title 18, United States Code, Section 1956(h). In addition to those charges, defendant Hein is charged with one (1) count of obstruction of justice, in violation of Title 18, United States Code, Section 1503; and defendant Roemmele is charged with one (1) count of securities fraud, in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a), 17 C.F.R. Part 240.10b-5, and Title 18, United States Code, Section 2. If convicted on the RICO, money laundering, and securities fraud conspiracy counts, the defendants charged with those counts would face a

maximum statutory term of imprisonment of twenty (20) years per count. If convicted on the obstruction of justice count, defendant Hein would face a maximum statutory term of imprisonment of ten (10) years. If convicted on the mail and wire fraud conspiracy count, the defendants would face maximum statutory term of imprisonment of five (5) years. The maximum fine range that the defendants would face if convicted on the referenced counts is from \$250,000 to \$5 million.

The Indictment arose from the defendants' participation in promoting the fraudulent activities of CITX Corporation ("CITX"), formerly an internet service provider and alleged computer technology company, and its marketing partner PRSI, Inc. Through these companies, the defendants used the internet to offer the public a non-existent e-commerce opportunity in exchange for \$295 per person. Specifically, the offering promised customers an electronic website "store" that allegedly would provide customers with an opportunity to engage in e-commerce through electronically retailing goods and services on a pornography-free "internet mall." Customers were promised falsely that they would earn commissions not only from their personal sales, but also from the sales generated by the individuals whom they convinced to purchase these websites. In addition, the defendants used the internet, false press releases, and other communications media to disseminate false and fraudulent information to induce individuals to purchase stock in CITX. In total, over 45,000 people were victimized throughout the course of the fraud schemes which involved criminal proceeds of over \$15 million.

Mr. Jiménez commended the investigative efforts of the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation, the United States Postal Inspection Service, and the Broward County Sheriff's Office. This case is being prosecuted by Assistant United States Attorney Paul F. Schwartz and Department of Justice/ Organized Crime and Racketeering Section Trial Attorney Patrice M. Mulkern.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at www.usdoj.gov/usao/fls. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>.

[Return to Press Release Page](#)

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