

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
NEAL D. SAFERSTEIN	:	VIOLATIONS:
TYRONE L. BARR	:	18 U.S.C. §§ 1343, 1349 (wire fraud - 8
BILLY D. LIGHT	:	counts)
	:	18 U.S.C. § 1341 (mail fraud - 8 counts)
	:	18 U.S.C. § 371 (conspiracy to commit
	:	perjury - 1 count)
	:	26 U.S.C. § 7206(1) (false tax return - 4
	:	counts)
	:	26 U.S.C. § 7202 (failure to pay over tax -
		6 counts)
		Notice of forfeiture

INDICTMENT

COUNTS ONE THROUGH EIGHT

WIRE FRAUD

THE GRAND JURY CHARGES THAT:

At all times material to this indictment:

THE TELEMARKETING OPERATIONS AT GOINTERNET

1. GoInternet.net, Inc., doing business as Mercury Marketing of Delaware, Inc., (“GoInternet”) was a Delaware corporation headquartered in the Eastern District of Pennsylvania, with office addresses including 20 N. Third Street, and 6 Strawberry Street, Philadelphia, Pennsylvania. GoInternet, which began operations in approximately 1997, was

engaged in the business of selling internet-related services to companies, including dial-up internet access, e-mail accounts, and web pages.

2. GoInternet employed telemarketers to sell its services to businesses around the country. GoInternet's telemarketers cold-called businesses and read from a one-page sales script. If a customer on the telephone agreed to purchase GoInternet's services, a telemarketer verified the details of the sale by reading from a one-page verification script. The verification portion of the sale was recorded on cassette tape ("verification tape").

3. Once a verification was completed, a GoInternet web designer created a web page for the customer. GoInternet then sent a "welcome packet" in the mail to the customer, which gave the customer dial-up web access, an e-mail account, and a printout of the web page.

4. If the customer wanted to avoid being billed for GoInternet's services, the customer was required to call GoInternet and cancel within 15 days. Otherwise, the customer was billed approximately \$29.95 per month.

5. A customer who chose to keep the web page could call a GoInternet representative to personalize and edit the page at no extra cost.

6. GoInternet grew to be a very large telemarketing operation. By approximately 2003, GoInternet employed over 1,000 telemarketers, and it was signing on approximately 7,500 new customers every week. By the end of 2003, GoInternet's customer base included more than 350,000 businesses, and it was bringing in annual gross revenues exceeding \$49 million.

7. GoInternet ceased doing business in or about October 2004.

DEFENDANTS

8. Defendant NEAL D. SAFERSTEIN was the President, Chief Executive Officer, and majority owner of GoInternet.

9. Defendant TYRONE L. BARR was the Vice President of Customer Service and Regulatory Affairs at GoInternet.

10. Defendant BILLY D. LIGHT was the Chief Information Officer at GoInternet.

THE TELEPHONE BILLING AND COLLECTION INDUSTRY

11. Local telephone companies, also called Local Exchange Carriers (“LECs”), permitted third parties such as GoInternet to include charges for telecommunications services ordered by consumers on the consumers’ local telephone bills. To facilitate the inclusion of their charges on consumers’ local telephone bills, such third-party service providers contracted with telephone billing aggregators.

12. Telephone billing aggregators acted as intermediaries between the third-party service providers and the LECs. These aggregators received the billing information from the service providers, which were the aggregators’ clients, and submitted the billing information to the appropriate LEC for inclusion on the consumer’s monthly local telephone bill.

13. Once the consumers paid their telephone bills, the billing aggregators collected the payment for their clients’ services from the LECs. The billing aggregators then passed those payments back to their service-provider clients, and charged a fee for their billing and collection services.

14. The placement of unauthorized charges on a consumer's local telephone bill is a fraudulent practice commonly known in the telecommunications industry as "cramming."

15. GoInternet contracted with multiple billing aggregators to place its monthly charges on its customers' local telephone bills.

THE SCHEME

16. From in or about March 2001 until in or about April 2004, defendants

NEAL D. SAFERSTEIN and TYRONE L. BARR

devised and intended to devise, and aided and abetted the devising of, a scheme to defraud customers of GoInternet, and to obtain money from customers of GoInternet by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

It was part of the scheme that:

17. Defendant NEAL D. SAFERSTEIN designed the GoInternet business plan and had personal involvement in the operations of GoInternet.

18. The entire GoInternet business was designed to defraud customers into paying for internet-related services without their knowledge or authorization.

19. GoInternet's telemarketers routinely made misrepresentations to dupe customers into receiving welcome packets in the mail, without fully disclosing the nature of GoInternet's services or the fact that agreeing to receive a welcome packet would trigger monthly bills unless the customer called to cancel. Such misrepresentations included: (a) asking customers simply to accept service of mail or a free trial offer with no obligation, without telling

them that billing would begin in 15 days unless the customer called to cancel; (b) falsely claiming to be calling from United Parcel Service or Federal Express, seeking to verify an address to send a previously ordered package; and (c) falsely promising gifts and prizes to customers who agreed to receive a welcome packet.

20. The GoInternet welcome packet looked like unsolicited business mail and was regularly disregarded and thrown away. Further, any billing disclosure was difficult to find within the text of the welcome packet. Thus, most customers remained unaware that they had purchased services from GoInternet and had an obligation to call within 15 days to avoid being billed.

21. GoInternet engaged in “cramming” by placing monthly charges on its customers’ local telephone bills without their authorization. The customers routinely paid their monthly telephone bills without noticing the GoInternet charges.

22. GoInternet produced generic, bare-boned, and mistake-ridden web pages that were of virtually no value to its customers.

23. Many GoInternet web pages incorrectly identified the customer’s business name, its line of business, its contact information, and/or its business hours. For example: (a) GoInternet designed a web page describing Boston Chipyard Inc. as “Specializing in Sailboat Parts,” while Boston Chipyard actually sold chocolate chip cookies on-line; (b) GoInternet designed a web page for Faith Baptist Church, in Cloverdale, Indiana, and listed its hours as Monday through Friday, 9:00 a.m. to 5:00 p.m.; and (c) GoInternet designed a web page describing a landscaping company which listed the company owner’s babysitter as its contact person.

24. Many GoInternet web pages for unrelated businesses looked nearly identical.

25. Many GoInternet web pages were assigned a sub-domain web address that could not be located using major internet search engines, rendering the web pages largely inaccessible to the general public. Two typical GoInternet web addresses were www.internetweb.net/surreyenter, and www.i4mation.com/kitchencolle.

26. GoInternet assigned e-mail addresses to its customers that were unmemorable and complex. Two typical GoInternet email addresses were constructi2323@internetweb.net, and m6175735800@i4mation.com.

27. Many of the web pages were sold to companies that already had sophisticated web sites and memorable e-mail addresses, which thus had no need for GoInternet's services. Other web pages were sold to companies that owned no computers, generated all business by referrals, and had no need to advertise online. Such companies were then billed for this service without their knowledge or authorization.

28. GoInternet maintained insufficient telephone availability to handle incoming calls from complaining customers, which delayed and prevented customer cancellations and refunds.

29. Defendant TYRONE L. BARR created and caused the creation of fake verification tapes. Specifically, defendant BARR directed GoInternet employees to pose as telemarketers reading through a sales script, and as customers agreeing to receive GoInternet's services, while the conversations were recorded on cassette tape to serve as verification of sale for third-parties.

30. On June 28, 2000, the Federal Trade Commission (“FTC”) filed a civil case, captioned Federal Trade Commission v. Mercury Marketing of Delaware, Inc., and Neal D. Saferstein, Eastern District of Pennsylvania Civil Action No. 00-CV-3281, accusing GoInternet and defendant NEAL D. SAFERSTEIN of violating the law by billing consumers for services without their authorization. The parties agreed to a Stipulated Judgment and Order for Permanent Injunction, entered by the court on March 1, 2001 (“Consent Order”). The Consent Order contained various conduct prohibitions to protect consumers from unauthorized billing, including a prohibition against making any misrepresentations in the sale of GoInternet’s services.

31. Even after entry of the Consent Order, defendants NEAL D. SAFERSTEIN and TYRONE L. BARR continued and expanded their fraudulent conduct.

32. Defendants NEAL D. SAFERSTEIN and TYRONE L. BARR prevented and delayed the issuance of refunds and credits to customers who were billed without their authorization and knowledge.

33. When a LEC declared that it would no longer post charges for GoInternet due to the large number of cramming complaints, defendant NEAL D. SAFERSTEIN hired an intermediary company to submit the charges to the billing aggregator and the LEC on GoInternet’s behalf. Neither the billing aggregator nor the LEC was informed of the contractual relationship between GoInternet and the intermediary billing company.

34. Defendant NEAL D. SAFERSTEIN ordered the destruction of postcards that would have notified GoInternet’s customers that they were receiving and paying for GoInternet’s services, as required by the Consent Order.

35. GoInternet derived more than \$75 million in gross revenues during the time period of the scheme, from in or about March 2001 until in or about April 2004.

36. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendants

**NEAL D. SAFERSTEIN, and
TYRONE L. BARR,**

for the purpose of executing the scheme described above, attempting to do so, and aiding and abetting its execution, caused to be transmitted, by means of wire communication in interstate commerce, the signals and sounds described below for each count, each transmission constituting a separate count:

COUNT	ON OR ABOUT DATE	DESCRIPTION
1	December 2002	Telephone call from GoInternet in Philadelphia, PA, to Figgy Puddin, Inc., in Quincy, Massachusetts, resulting in unauthorized charges being placed on the telephone bill of Figgy Puddin, Inc.
2	December 2002	Telephone call from GoInternet in Philadelphia, PA, to B.Z. Agency in Appleton, Wisconsin, resulting in unauthorized charges being placed on the telephone bill of B.Z. Agency.
3	April 2003	Telephone call from GoInternet in Philadelphia, PA, to Epstein Angel, a company in Ormond Beach, Florida, resulting in unauthorized charges being placed on the telephone bill of Epstein Angel.

- 4 June 2003 Telephone call from GoInternet in Philadelphia, PA, to First Baptist Church, in Cherokee, Alabama, resulting in unauthorized charges being placed on the telephone bill of First Baptist Church.
- 5 June 2003 Telephone call from GoInternet in Philadelphia, PA, to Craft Country, in Columbia, Missouri, resulting in unauthorized charges being placed on the telephone bill of Craft Country.
- 6 July 2003 Telephone call from GoInternet in Philadelphia, PA, to Shirley Land Development, in Bradenton, Florida, resulting in unauthorized charges being placed on the telephone bill of Shirley Land Development.
- 7 January 2004 Telephone call from GoInternet in Philadelphia, PA, to Bol-Lan Construction, in Logansport, Indiana, resulting in unauthorized charges being placed on the telephone bill of Bol-Lan Construction.
- 8 January 2004 Telephone call from GoInternet in Philadelphia, PA, to PMC The Message Center, in Marion, Indiana, resulting in unauthorized charges being placed on the telephone bill of PMC The Message Center.

All in violation of Title 18, United States Code, Sections 1343, 1349, and 2.

COUNTS NINE THROUGH SIXTEEN

MAIL FRAUD

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 through 35 of Counts One through Eight are incorporated here.

2. On or about the dates set forth below, in the Eastern District of Pennsylvania and elsewhere, defendants

**NEAL D. SAFERSTEIN, and
TYRONE L. BARR,**

for the purpose of executing the scheme described above, attempting to do so, and aiding and abetting its execution, knowingly caused to be placed in an authorized depository for mail matter any matter or thing to be sent and delivered by the Postal Service according to the directions thereon, mailed from GoInternet's offices at 6 Strawberry Street, Philadelphia, Pennsylvania, to the locations set forth below:

COUNT	ON OR ABOUT DATE	DESCRIPTION
9	October 2002	Welcome packet mailed to "Aero Eh & S Incorporated," in Ellicott City, Maryland.
10	January 2003	Welcome packet mailed to "Davis & Davis & Greene," in Elkhart, Indiana.
11	February 2003	Welcome packet mailed to "Wheelchair Recycling Program," in Madison, Wisconsin.
12	May 2003	Welcome packet mailed to "Surrey Enterprises," in Cherry Hill, New Jersey.

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|----|-----------|---|
| 13 | June 2003 | Welcome packet mailed to “McLaughlin-Kehoe Associates,” in East Syracuse, New York. |
| 14 | June 2003 | Welcome packet mailed to “Kitchen Collections,” in Verdo Beach, Florida. |
| 15 | June 2003 | Welcome packet mailed to “Construction Moisture Consulting,” in Tampa Florida. |
| 16 | June 2003 | Welcome packet mailed to “S & K Sewing,” in Des Moines, Iowa. |

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT SEVENTEEN

CONSPIRACY TO COMMIT PERJURY

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 through 35 of Counts One through Eight are incorporated here.
2. On July 30, 2003, the FTC filed an action to hold GoInternet and defendant NEAL D. SAFERSTEIN in contempt for violating the prohibitions in the aforementioned Consent Order (“contempt action”). A preliminary injunction hearing occurred in September 2003.
3. It was a matter material to the contempt action whether GoInternet’s customers knew they were receiving internet services from GoInternet, as evidenced by whether customers were using such services.
4. As Chief Information Officer of GoInternet, defendant BILLY D. LIGHT had access to information regarding the number of GoInternet customers who used their GoInternet e-mail accounts and dial-up service.
5. At GoInternet, defendant NEAL D. SAFERSTEIN was the boss and supervisor to defendant BILLY D. LIGHT.
6. As of September 12, 2003, defendants NEAL D. SAFERSTEIN and BILLY D. LIGHT knew that few, if any, GoInternet customers used GoInternet’s dial-up internet service or their GoInternet e-mail accounts.

7. On or about September 12, 2003, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**NEAL D. SAFERSTEIN and
BILLY D. LIGHT**

conspired and agreed to commit an offense against the United States, that is, to knowingly make false declarations in response to questions asked with respect to a material matter while under oath, in a proceeding before the United States District Court for the Eastern District of Pennsylvania, Civil Action No. 00-CV-3281, in violation of Title 18, United States Code, Section 1623.

MANNER AND MEANS

8. It was part of the conspiracy that defendants NEAL D. SAFERSTEIN and BILLY D. LIGHT agreed that defendant LIGHT would testify falsely regarding the number of GoInternet customers who used its dial-up service and e-mail accounts, in an effort to conceal the fact that they knew most GoInternet customers had been defrauded by GoInternet and did not know they were receiving, and being billed for, GoInternet's services.

OVERT ACTS

In furtherance of the conspiracy, defendants NEAL D. SAFERSTEIN and BILLY D. LIGHT committed the following overt acts in the Eastern District of Pennsylvania:

1. In or about September 2003, defendant NEAL D. SAFERSTEIN directed defendant BILLY D. LIGHT to testify falsely that 55,000 customers used their GoInternet e-mail accounts, and that 33,000 customers used their GoInternet dial-up service, over the course of one week.

2. On or about September 12, 2003, defendant BILLY D. LIGHT, while under oath in Federal Trade Commission v. Mercury Marketing of Delaware, Inc., and Neal D. Saferstein, before the United States District Court for the Eastern District of Pennsylvania, in Civil Action No. 00-CV-3281, knowingly made false declarations as underlined below, in response to questions asked to him with respect to the material matter described in Paragraph 3 of this Count:

Q. Have you attempted to estimate how many customers use their GoInternet e-mail accounts?

A. Yes. Over the period spanning from September 1st through September 7, I have 55,000 unique e-mail account usage records.

Q. How did you go about calculating that, Mr. Light?

A. I took what's called a log file from each day which is a record inside of the server, that tells who came through it, who did what. I compiled that altogether and analyzed it and came up with 55,000 and a little bit of change unique e-mail account usage records.

* * *

Q. Now, in addition to that, Mr. Light, did you also seek to determine how many customers used the GoInternet services for purposes other than e-mail? . . . How many people did you determine . . . were requesting the service to get into the Internet in addition to the number of e-mail usages?

A. 33,000.

Q. And, I take it that is the number of people who use the GoInternet services just to log on and get into it, so they are able to go into the Internet?

A. Correct.

* * *

Q. Is the 33,000 number calculated by reference to the past week or what time period?

A. Through . . . the first through the 7th.

Q. Of September?

A. Yes.

All in violation of Title 18, United States Code, Section 371.

COUNT EIGHTEEN

FALSE TAX RETURN FOR THE YEAR 2000

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight are incorporated here.
2. From in or about 2000 until in or about 2003, defendant NEAL D.

SAFERSTEIN used GoInternet corporate funds to pay for significant personal expenses, including the remodeling and landscaping of the home he shared with his wife, and the purchase and decorating of a home for another woman. During these same years, defendant SAFERSTEIN also received compensation from GoInternet in the form of wages, commissions, and capital gains.

3. On or about October 17, 2001, defendant NEAL D. SAFERSTEIN filed and caused to be filed his federal tax return for the year 2000, reporting approximately \$230,000 in wages for that year.

4. Defendant NEAL D. SAFERSTEIN failed to report to the Internal Revenue Service all income received in the year 2000, including commissions, capital gains, and personal expenses paid with corporate funds, which totaled over \$700,000 in unreported income.

5. On or about October 17, 2001, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

NEAL D. SAFERSTEIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2000, which was verified by a written declaration that it was made under the penalty of

perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant SAFERSTEIN did not believe to be true and correct as to every material matter, in that the return reported total income of approximately \$230,000, when, as defendant SAFERSTEIN knew, his total income was substantially more than what he reported, including more than approximately \$700,000 in unreported income.

In violation of Title 26, United States Code, Section 7206(1).

COUNT NINETEEN

FALSE TAX RETURN FOR THE YEAR 2001

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, and paragraph 2 of Count Eighteen, are incorporated here.
2. On or about June 2, 2003, defendant NEAL D. SAFERSTEIN filed and caused to be filed his federal tax return for the year 2001, reporting approximately \$140,000 in wages for that year.
3. Defendant NEAL D. SAFERSTEIN failed to report to the Internal Revenue Service all income received in the year 2001, including commissions and personal expenses paid with corporate funds, which totaled over \$350,000 in unreported income.
4. On or about June 2, 2003, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

NEAL D. SAFERSTEIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2001, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant SAFERSTEIN did not believe to be true and correct as to every material matter, in that the return reported total income of approximately \$140,000, when, as

defendant SAFERSTEIN knew, his total income was substantially more than what he reported, including more than approximately \$350,000 in unreported income.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY

FALSE TAX RETURN FOR THE YEAR 2002

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, and paragraph 2 of Count Eighteen, are incorporated here.
2. On or about October 27, 2003, defendant NEAL D. SAFERSTEIN filed and caused to be filed his federal tax return for the year 2002, reporting approximately \$180,000 in wages for that year.
3. Defendant NEAL D. SAFERSTEIN failed to report to the Internal Revenue Service all income received in the year 2002, including commissions and personal expenses paid with corporate funds, which totaled over \$325,000 in unreported income.
4. On or about October 27, 2003, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

NEAL D. SAFERSTEIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2002, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant SAFERSTEIN did not believe to be true and correct as to every material matter, in that the return reported total income of approximately \$180,000, when, as

defendant SAFERSTEIN knew, his total income was substantially more than what he reported, including more than approximately \$ 325,000 in unreported income.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-ONE

FALSE TAX RETURN FOR THE YEAR 2003

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, and paragraph 2 of Count Eighteen, are incorporated here.
2. On or about June 20, 2005, defendant NEAL D. SAFERSTEIN filed and caused to be filed his federal tax return for the year 2003, reporting approximately \$160,000 in wages for that year.
3. Defendant NEAL D. SAFERSTEIN failed to report to the Internal Revenue Service all income received in the year 2003, including commissions and personal expenses paid with corporate funds, which totaled over \$400,000 in unreported income.
4. On or about June 20, 2005, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

NEAL D. SAFERSTEIN

willfully made and subscribed a United States income tax return, Form 1040, for the calendar year 2003, which was verified by a written declaration that it was made under the penalty of perjury and filed with the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, which defendant SAFERSTEIN did not believe to be true and correct as to every material matter, in that the return reported total income of approximately \$160,000, when, as

defendant SAFERSTEIN knew, his total income was substantially more than what he reported, including more than approximately \$400,000 in unreported income.

In violation of Title 26, United States Code, Section 7206(1).

COUNT TWENTY-TWO

FAILURE TO PAY OVER TAX FOR THE FIRST QUARTER OF 2001

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, and paragraph 2 of Count Eighteen, are incorporated here.
2. From in or about 2001 until in or about 2003, GoInternet collected but failed to pay over to the Internal Revenue Service more than \$2.8 million in payroll taxes due and owing under the Internal Revenue Code.
3. On or about November 28, 2003, GoInternet filed an untimely corporate employment tax return for the first quarter of 2001, that is, Internal Revenue Service Form 941, reporting that over \$410,000 in payroll taxes were due and paid for the that quarter. In fact, GoInternet had paid only approximately \$120,000 for that quarter, leaving a tax liability of approximately \$290,000.
4. On or about November 28, 2003, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

NEAL D. SAFERSTEIN,

a person required under Title 26 of the United States Code to collect, account for, and pay over taxes due and owing under the Internal Revenue Code, willfully failed to pay over to the Internal

Revenue Service the employer's share of payroll taxes due and owing to the United States of America for the quarter ending March 2001.

In violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-THREE

FAILURE TO PAY OVER TAX FOR THE SECOND QUARTER OF 2001

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, paragraph 2 of Count Eighteen, and paragraph 2 of Count Twenty-Two, are incorporated here.

2. On or about December 19, 2003, GoInternet filed an untimely corporate employment tax return for the second quarter of 2001, that is, Internal Revenue Service Form 941, reporting that over \$430,000 in payroll taxes were due for that quarter. However, only approximately \$300,000 in payroll taxes had been paid for that quarter, leaving a tax liability of approximately \$130,000.

3. On or about December 19, 2003, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

NEAL D. SAFERSTEIN,

a person required under Title 26 of the United States Code to collect, account for, and pay over taxes due and owing under the Internal Revenue Code, willfully failed to pay over to the Internal Revenue Service the employer's share of payroll taxes due and owing to the United States of America for the quarter ending June 2001.

In violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-FOUR

FAILURE TO PAY OVER TAX FOR THE SECOND QUARTER OF 2002

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, paragraph 2 of Count Eighteen, and paragraph 2 of Count Twenty-Two, are incorporated here.

2. On or about November 28, 2003, GoInternet filed an untimely corporate employment tax return for the second quarter of 2002, that is, Internal Revenue Service Form 941, reporting that over \$550,000 in payroll taxes were due for that quarter. However, only approximately \$490,000 in payroll taxes had been paid for that quarter, leaving a tax liability of approximately \$60,000.

3. On or about November 28, 2003, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

NEAL D. SAFERSTEIN,

a person required under Title 26 of the United States Code to collect, account for, and pay over taxes due and owing under the Internal Revenue Code, willfully failed to pay over to the Internal Revenue Service the employer's share of payroll taxes due and owing to the United States of America for the quarter ending June 2002.

In violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-FIVE

FAILURE TO PAY OVER TAX FOR THE THIRD QUARTER OF 2002

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, paragraph 2 of Count Eighteen, and paragraph 2 of Count Twenty-Two, are incorporated here.

2. On or about November 28, 2003, GoInternet filed an untimely corporate employment tax return for the third quarter of 2002, that is, Internal Revenue Service Form 941, reporting that over \$900,000 in payroll taxes were due for that quarter. However, only approximately \$240,000 in payroll taxes had been paid for that quarter, leaving a tax liability of approximately \$660,000.

3. On or about November 28, 2003, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

NEAL D. SAFERSTEIN,

a person required under Title 26 of the United States Code to collect, account for, and pay over taxes due and owing under the Internal Revenue Code, willfully failed to pay over to the Internal Revenue Service the employer's share of payroll taxes due and owing to the United States of America for the quarter ending September 2002.

In violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-SIX

FAILURE TO PAY OVER TAX FOR THE FOURTH QUARTER OF 2002

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, paragraph 2 of Count Eighteen, and paragraph 2 of Count Twenty-Two, are incorporated here.
2. On or about November 26, 2003, GoInternet filed an untimely corporate employment tax return for the fourth quarter of 2002, that is, Internal Revenue Service Form 941, reporting that over \$940,000 in payroll taxes were due for that quarter. However, no money had been paid in payroll taxes for that quarter, leaving a tax liability of approximately \$940,000.
3. On or about November 26, 2003, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

NEAL D. SAFERSTEIN,

a person required under Title 26 of the United States Code to collect, account for, and pay over taxes due and owing under the Internal Revenue Code, willfully failed to pay over to the Internal Revenue Service the employer's share of payroll taxes due and owing to the United States of America for the quarter ending December 2002.

In violation of Title 26, United States Code, Section 7202.

COUNT TWENTY-SEVEN

FAILURE TO PAY OVER TAX FOR THE FIRST QUARTER OF 2003

THE GRAND JURY FURTHER CHARGES THAT:

At all times material to this indictment:

1. Paragraphs 1 and 8 of Counts One through Eight, paragraph 2 of Count Eighteen, and paragraph 2 of Count Twenty-Two, are incorporated here.
2. On or about April 30, 2003, GoInternet filed a corporate employment tax return for the first quarter of 2003, that is, Internal Revenue Service Form 941, reporting that over \$940,000 in payroll taxes were due for that quarter. However, only approximately \$225,000 in payroll taxes had been paid for that quarter, leaving a tax liability of approximately \$715,000.
3. On or about April 30, 2003, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

NEAL D. SAFERSTEIN,

a person required under Title 26 of the United States Code to collect, account for, and pay over taxes due and owing under the Internal Revenue Code, willfully failed to pay over to the Internal Revenue Service the employer's share of payroll taxes due and owing to the United States of America for the quarter ending March 2003.

In violation of Title 26, United States Code, Section 7202.

NOTICE OF FORFEITURE

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1341 and 1343, as set forth in Counts One to Sixteen of this indictment, defendants

**NEAL D. SAFERSTEIN and
TYRONE L. BARR**

shall forfeit to the United States of America any real or personal property used or intended to be used to commit, to facilitate, or to promote the commission of such offenses, as well as any property constituting, derived from, or traceable to the gross proceeds that the defendants obtained directly or indirectly as a result of the offenses, including but not limited to:

(a) \$75,000,000.

2. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(8).

A TRUE BILL:

GRAND JURY FOREPERSON

PATRICK L. MEEHAN
UNITED STATES ATTORNEY