



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

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FOR IMMEDIATE RELEASE

September 14, 2007

**EXECUTIVES OF PHILA.-BASED INTERNET COMPANY
CHARGED IN TELEMARKETING SCAM**

PHILADELPHIA – United States Attorney Pat Meehan today announced the filing of a 26-count Indictment¹ charging Neal D. Saferstein, Tyrone L. Barr and Billy D. Light with offenses allegedly committed in connection with the operation of an illegal telemarketing operation at GoInternet.net, Inc., doing business at 20 N. Third Street and 6 Strawberry Street in Philadelphia. According to the indictment, “GoInternet” was designed to defraud customers and potential customers into paying for Internet-related services without their knowledge or authorization. “GoInternet” telemarketers would dupe customers into receiving a welcome packet without fully disclosing that doing so would trigger monthly bills unless the customer called to cancel. The packets were designed to look like unsolicited business mail so that it would be disregarded or thrown away. “GoInternet” billed customers by placing a monthly charge on their telephone bills, which customers routinely paid without noticing the charge.

Defendant Neal Saferstein, President & CEO of “GoInternet,” allegedly prevented customers from receiving notices disclosing that they were receiving and paying for GoInternet’s services, in defiance of a court order that was entered following a lawsuit brought against the company and Saferstein by the Federal Trade Commission. Defendant Tyrone Barr, Vice-President of Customer Service and Regulatory Affairs, allegedly created and caused the creation of fake verification tapes. These tapes were purported to contain the telemarketer’s call to the customer and the customer’s consent to receive GoInternet’s services.

“According to the indictment, by merely answering their telephone, people fell victim to this scam and these men picked their pockets,” Meehan said. “This type of flim-flam operation unfortunately casts doubt on legitimate enterprises that use telemarketing as a business tool. When people don’t know who they can trust, or even if they can trust anyone at all, legitimate businesses, as well as the public and commerce in general, suffer.”

¹ An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

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"GoInternet" opened for business around 1997 and closed around October 2004. The scheme described in the indictment is alleged to have been executed from in or about March 2001 to in or about April 2004. During this period, the company derived more than \$75 million in gross revenues.

In addition to the fraud charges against Saferstein and Barr, Saferstein and Light, the company's Chief Information Officer, are charged with conspiring to commit perjury. The indictment alleges that at a contempt hearing in the FTC action, consistent with their prior agreement, Barr falsely testified that thousands of GoInternet's customers were using the company's internet access and email accounts, in an attempt to falsely convince the court that GoInternet's customers knew they were receiving internet services.

Saferstein is also charged with failing to declare approximately \$1.7 million in unreported income between 2001 and 2004, and failing to pay more than \$2.8 million in payroll taxes.

"The F.B.I., F.T.C., I.R.S., U.S. Postal Inspection Service and the U.S. Attorney's Office have often worked together investigating and prosecuting these types of fraudulent billing schemes. The FBI is proud to be represented as the results of another successful partnership are announced," said J.P. Weis, Special Agent-in-Charge of the Philadelphia Field Office of the F.B.I.

"The Internal Revenue Service recognizes the detrimental consequences this type of crime has due to the loss of tax revenue to the United States Government," said Acting Special Agent in Charge of the IRS' Criminal Division, Leslie DeMarco. "The non-payment of employment taxes jeopardizes America's social security and Medicare programs. Failure to investigate these types of cases threatens the integrity of the American tax system and erodes public confidence"

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE
Neal D.Saferstein	Mt. Laurel, NJ	34
Tyrone L. Barr	Philadelphia, PA	33
Billy D. Light	Voorhees, NJ	39

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INFORMATION REGARDING THE CHARGES

NAME	CHARGES
Neal D. Saferstein	Counts 1-8 : Wire Fraud Counts 9-16: Mail Fraud Count 17: Conspiracy to Commit Perjury Counts 18-21: False Tax Returns Counts 22-27: Failure to Pay Over Tax
Tyrone L. Barr	Counts 1-8: Wire Fraud Counts 9-16: Mail Fraud
Billy D. Light	Count 17: Conspiracy to Commit Perjury

If convicted on all charges, Saferstein faces a maximum penalty of 367 years imprisonment with a maximum fine of \$4.71 million.

If convicted on all charges, Barr faces a maximum penalty of 320 years imprisonment with a maximum fine of \$4 million.

If convicted, Light faces a maximum penalty 5 years imprisonment with a maximum fine of \$250,000.

The case was investigated by the Federal Bureau of Investigation, the Federal Trade Commission, the Internal Revenue Service and the U.S. Postal Inspection Service. It has been assigned to Assistant United States Attorney Jennifer A. Williams and Special AUSA Larissa L. Bungo.

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