

# Press Release

## TWO DEFENDANTS CONVICTED IN NATIONAL INTERNET AND SECURITIES FRAUD SCHEME

August 15, 2006

### FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, Brian J. Wimpling, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, Miami Field Office, and Jonathan I. Solomon, Special Agent in Charge, Federal Bureau of Investigation, Miami Field Office, announced that, after a six month trial, a federal jury sitting in Ft. Lauderdale, Florida, returned guilty verdicts against two (2) defendants, **Bernard Roemmele** and **Steve Hein**, resulting from their participation in a complex internet fraud and securities fraud scheme. The verdicts represent the conclusion of a five year investigation of one of the largest internet fraud cases to be prosecuted in the Southern District of Florida. Both defendants were immediately remanded into custody.

Roemmele, 46, and Hein, 53, were convicted of RICO conspiracy and conspiracy to commit money laundering. Each of these charges carries a maximum term of imprisonment of twenty years and a fine of up to \$250,000. Roemmele and Hein were also convicted of conspiracy to commit mail and wire fraud, which carries a maximum term of imprisonment of five years and a fine up to \$250,000. Roemmele was also convicted of one count of securities violation, which carries a sentence of twenty years' imprisonment. Sentencing for both defendants is scheduled for October 27, 2006, before the Honorable James I. Cohn in Ft. Lauderdale, Florida.

At trial, the evidence established that Roemmele led the criminal enterprise in committing wide spread fraud against more than 46,000 victims. These victims were defrauded through the internet and a corporation known as CITX.

CITX was formerly an internet service provider and alleged computer technology company, which joined with a Boca Raton-based marketing company, PRSI, Inc., to perpetrate the fraud. Through these companies, the defendants used the internet to offer the public a non-existent e-commerce opportunity for a fee of \$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 by 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. Throughout the course of the fraud schemes, the defendants generated more than \$15 million in criminal proceeds.

Mr. Acosta commended the investigative efforts of the Internal Revenue Service, Criminal Investigation, and the Federal Bureau of Investigation. This case was prosecuted by Department of Justice/ Organized Crime and Racketeering Section Trial Attorney Patrice M. Mulkern and Assistant United States Attorney William T. Shockley.