

Department of Justice

United States Attorney William J. Hochul, Jr.
Western District of New York

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CONTACT: BARBARA BURNS
PHONE: (716) 843-5817
FAX: (716) 551-3051

TWELVE CHARGED IN MULTI MILLION DOLLAR INTERNATIONAL BOILER ROOM SCHEME

BUFFALO, N.Y.--U.S. Attorney William J. Hochul, Jr. announced today that a federal grand jury in Buffalo has returned a 40-count Indictment charging 12 people with participating in a large scale, international stock boiler room scheme.

Under arrest are: Martin Jones, 48, of Cardiff, United Kingdom, who was arrested in Barcelona, Spain; Monica Romaszko, 59, of West Seneca, Gene Clark Foland, 53, of Lighthouse Point, FL, Jeffrey Klein, 57, of Boca Raton, FL, Joel Marcus, 74, of Boca Raton, FL and Walter Tatum, 54, of Redmond, WA.

All of the defendants are charged with conspiracy to commit wire fraud, which carries a maximum penalty of 20 years in prison, a fine of \$250,000 or both. Jones, Romasko, Foland, and Klein are also charged with wire fraud, which carries a maximum penalty of 20 years in prison, a fine of \$250,000 or both and conspiracy to launder money, which carries a maximum sentence of 10 years. Others named in the indictment are still at large.

Assistant U.S. Attorney Gretchen Wylegala, who is handling the case, stated that the Indictment charges the defendants with being involved in an investment fraud scheme located in Barcelona, Spain. The type of scheme operated by the defendants is a telemarketing operation using the phones and internet to cold call investors as well as high pressure sales techniques to get them to invest in whatever is being sold. These operations have been referred to by regulatory authorities as "boiler room" operations.

Regarding particular factual allegations, from February 2006 through July 2009, Jones and another defendant oversaw a telemarketing operation which used the names

Newbridge International, Brecon Global, Strategic Energy Partners, and Hammerson Equity Group. These companies were used to sell restricted shares of low value stock to investors in the United Kingdom and Canada. The stocks included IXSV (Intersecurity Holdings), UVEC (Universal Energy), RHOI (Rhino Outdoors International), CCTC (Clean Coal Technology), and GELV (Green Energy Live). Defendants Foland, Klein, Marcus and Tatum were instrumental in finding the stocks for the boiler room to sell.

The investors were not told that the shares they were purchasing were restricted shares; that is, stocks that could not be readily resold on the open market. By the time investors received a printed version of their share certificates, reflecting that the shares were restricted, the value of the stock had dropped to nearly nothing.

Defrauded investors provided more than \$5,000,000 to the boiler room. Defendant Romaszko opened two bank accounts, one in the Buffalo area, and one in Fort Erie Canada, into which the investor funds were wired. These monies were then transferred to various other accounts, in Spain, the UK, Switzerland, and to Klein in Florida.

“This case is yet another example of how the public needs to be extremely careful with regard to whom they entrust their money,” said U.S. Attorney Hochul. “While law enforcement should be applauded for their outstanding efforts in uncovering this sophisticated international fraud scheme, the best defense for the individual investor is her/his own common sense.”

"HSI will continue working with its law enforcement partners here and abroad to hold criminals involved in stock fraud accountable for their actions," said James Spero, Special Agent in Charge of HSI Buffalo. "These criminals demonstrated a callous disregard for the hard earned money of individuals who thought that they were legitimately investing in their futures. They will now have to account for their actions before a court of law."

The Indictment is the culmination of an investigation on the part of Immigration and Customs Enforcement, Homeland Security Investigations, under the direction of James C. Spero, Special Agent in Charge and Special Agents of the Internal Revenue Service, Criminal Investigative Division, New York Field Office, under the direction of Special Agent in Charge Victor Lessoff. The arrest of Jones was the result of the efforts of the Spanish National Police, Fugitive Squad.

The fact that a defendant has been charged with a crime is merely an accusation and the defendant is presumed innocent until and unless proven guilty.

