

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

**02-80035**

CASE NO. 18 U.S.C. 371

**CR-MIDDLEBROOKS**

**MAGISTRATE  
JOHNSON**

FILED BY: \_\_\_\_\_ D.G.  
2002 FEB -1 PM 3:34  
CLARENCE HADDOX  
CLERK U.S. DIST. CT.  
S.D. OF FL.-FTL.

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
MICHAEL GRAY, )  
 )  
Defendant. )  
\_\_\_\_\_ )

**INFORMATION**

The United States Attorney charges that:

**GENERAL ALLEGATIONS**

At all times material to this Information:

1. CITX Corporation ("CITX") was a Delaware corporation, that was incorporated in 1996, and whose principal place of business was located in Quakerstown, Pennsylvania.

2. CITX advertised itself as a computer technology company with an expertise in creating internet products and services, including producing and assembling electronic commerce ("e-commerce") platforms for businesses.

3. Defendant MICHAEL GRAY served as a Strategic Project Director and Vice President of CITX.

4. Co-conspirator William Caudell and other co-conspirators incorporated Professional Resource Systems

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International, Inc. ("FRSI") in Carson City, Nevada, on or about March 1, 1999 and located its corporate offices in Cocoa Beach, Florida, and subsequently, Boca Raton, Florida.

COUNT 1

From in or about August 1998, the exact date being unknown to the United States Attorney, and continuing up to on or about January 5, 2000, in the Southern District of Florida and elsewhere, the defendant

MICHAEL GRAY,

and others did knowingly and willfully conspire, combine, confederate and agree among each other and with other persons both known and unknown to the United States Attorney to:

a. devise a scheme and artifice to defraud and to obtain money and property from consumers by means of false and fraudulent pretenses, representations and promises, using the United States mails and private and commercial interstate carriers, in violation of Title 18, United States Code, Sections 1341; and

b. devise a scheme and artifice to defraud and to obtain money and property from consumers by means of false and fraudulent pretenses, representations and promises, using wire communications in interstate and foreign commerce in violation of Title 18, United States Code, Sections 1343.

MANNER AND MEANS OF THE CONSPIRACY

1. It was a part of the conspiracy that defendant MICHAEL GRAY and other co-conspirators employed by and associated with CITX would participate with co-conspirator William Caudell and other co-conspirators employed by and associated with PRSI in a fraudulent scheme to market sales of an alleged electronic small office/home office (SOHO) system which defendant MICHAEL GRAY and his co-conspirators alleged was comprised of websites that would be linked together on a virtual private network (VPN) on a separate internet where customers could exchange goods and services in a private environment free from pornography.

2. It was further a part of the conspiracy that, as part of his role in the fraud scheme, defendant MICHAEL GRAY would move from CITX corporate headquarters in Pennsylvania to PRSI's Florida offices to represent CITX in discussions with consumers about the "SOHO system" and to make fraudulent representations to consumers about CITX's technological capabilities and alleged products to induce customers into purchasing "SOHO" websites.

3. It was further part of the conspiracy that defendant MICHAEL GRAY and his coconspirators would falsely represent that for a \$295 application fee, PRSI and CITX would provide consumers with a "SOHO" website on the "SOHO system" that would be linked to a VPN where PRSI customers could buy and/or

sell goods and services to and from other customers on a network that was alleged to be free from pornography.

4. It was further a part of the conspiracy that defendant MICHAEL GRAY and other co-conspirators would use interstate and foreign telephone conference call facilities to communicate with thousands of consumers at one time for the purpose of convincing them to pay the \$295 application fee.

5. It was further a part of the conspiracy that defendant MICHAEL GRAY and other co-conspirators would use interstate and foreign telephone facsimile facilities to send documents containing false and fraudulent representations regarding products and services offered by PRSI and CITX to thousands of consumers for the purpose of convincing them to pay the \$295 application fee.

6. It was further part of the conspiracy that defendant MICHAEL GRAY and other co-conspirators would cause to be transmitted, in interstate and foreign commerce by means of mail and wire communications, false and fraudulent representations regarding the "SOHO system" products.

7. It was further a part of the conspiracy that defendant MICHAEL GRAY and other co-conspirators would cause consumers to place, in authorized depositories for mail matter, \$295 checks and money orders to be sent to the PRSI offices located in Cocoa Beach, Florida and, subsequently, Boca Raton, Florida, by the U.S. Postal service.

8. It was further a part of the conspiracy that defendant MICHAEL GRAY and other co-conspirators would: (1) accept and cause to be accepted the \$295 application fees and (2) deposit and cause the fees to be deposited in bank accounts, controlled by PRSI corporate officers and others.

QVERT ACTS

In furtherance of the conspiracy, and to effect the objects thereof, in the Southern District of Florida and elsewhere, the defendant and co-conspirators committed the following overt acts, among others:

1. On or about August 31, 1999, in Palm Beach County, Florida, defendant MICHAEL GRAY and his co-conspirators did participate in an interstate and foreign conference call and made and caused to be made false and fraudulent representations regarding the products allegedly provided by PRSI and created by CITX.

2. On or about September 1, 1999, in Palm Beach County, Florida, defendant MICHAEL GRAY and his co-conspirators did participate in an interstate and foreign conference call and made and caused to be made false and fraudulent representations regarding the products allegedly provided by PRSI and created by CITX.

3. On or about September 9, 1999, in Palm Beach County, Florida, defendant MICHAEL GRAY and his co-conspirators did participate in an interstate and foreign conference call and made

and caused to be made false and fraudulent representations regarding the products allegedly provided by PRSI and created by CITX.

4. On or about September 23, 1999, in Palm Beach County, Florida, defendant MICHAEL GRAY and his co-conspirators did participate in an interstate and foreign conference call and made and caused to be made false and fraudulent representations regarding the products allegedly provided by PRSI and created by CITX.

5. On or about November 10, 1999, in Palm Beach County, Florida, defendant MICHAEL GRAY and his co-conspirators did participate in an interstate and foreign conference call and made and caused to be made false and fraudulent representations regarding the products allegedly provided by PRSI and created by CITX.

6. On or about November 16, 1999, in Palm Beach County, Florida, defendant MICHAEL GRAY AND his co-conspirators did participate in an interstate and foreign conference call and made and caused to be made false and fraudulent representations regarding the products allegedly provided by PRSI and created by CITX.

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

Guy A. Lewis  
GUY A. LEWIS  
UNITED STATES ATTORNEY

Paul F. Schwartz  
PAUL F. SCHWARTZ  
ASSISTANT UNITED STATES ATTORNEY

Patrice M. Mulhern  
PATRICE M. MULKERN  
TRIAL ATTORNEY  
DEPARTMENT OF JUSTICE

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO. \_\_\_\_\_

v.

CERTIFICATE OF TRIAL ATTORNEY\*

MICHAEL GRAY \_\_\_\_\_

Superseding Case Information:

Court Division: (Select One)  
\_\_\_\_ Miami \_\_\_\_ Key West  
\_\_\_\_ FTL  WPB \_\_\_\_ FTP

New Defendant(s) Yes \_\_\_\_ No \_\_\_\_  
Number of New Defendants \_\_\_\_  
Total number of counts \_\_\_\_

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the indictment/information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) No  
List language and/or dialect \_\_\_\_\_

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:  
(Check only one) (Check only one)

I	0 to 5 days	<input checked="" type="checkbox"/>	Petty	_____
II	6 to 10 days	_____	Minor	_____
III	11 to 20 days	_____	Misdem.	_____
IV	21 to 60 days	_____	Felony	<input checked="" type="checkbox"/>
V	61 days and over	_____		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes:  
Judge: \_\_\_\_\_ Case No. \_\_\_\_\_  
(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) No

If yes:  
Magistrate Case No. \_\_\_\_\_  
Related Miscellaneous numbers: 01-8076-CR-MIDDLEBROOKS & 01-8135-Cr-Middlebrooks  
Defendant(s) in federal custody as of \_\_\_\_\_  
Defendant(s) in state custody as of \_\_\_\_\_  
Rule 20 from the \_\_\_\_\_ District of \_\_\_\_\_

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the U. S. Attorney's Office prior to April 1, 1999? Yes  No If yes, was it pending in the Central Region? Yes  No

8. Did this case originate in the Narcotics Section, Miami? Yes  No

  
PAUL F. SCHWARTZ  
ASSISTANT UNITED STATES ATTORNEY  
COURT ID# A5500086

\*Penalty Sheet(s) attached

REV.6/27/00

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
PENALTY SHEET**

Defendant's Name: MICHAEL GRAY No: \_\_\_\_\_

Count #: 1 18 U.S.C. 371 Conspiracy to Commit Mail and Wire Fraud

\*Max. Penalty: Five (5) years' imprisonment and \$250,000 Fine

Count #: \_\_\_\_\_

\*Max. Penalty: \_\_\_\_\_

Count #: \_\_\_\_\_

\*Max. Penalty: \_\_\_\_\_

Count #: \_\_\_\_\_

\*Max. Penalty: \_\_\_\_\_

Count #: \_\_\_\_\_

\*Max. Penalty: \_\_\_\_\_

Count #: \_\_\_\_\_

\*Max. Penalty: \_\_\_\_\_

Count #: \_\_\_\_\_

\*Max. Penalty: \_\_\_\_\_

**\*Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**