

Two Coral Springs men charged in online rip-off

Two Coral Springs men have been indicted on racketeering charges for their alleged involvement in a complex, Internetbased pyramid scheme that bilked millions from investors.

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After nearly four years, federal officials from various agencies, including the FBI and IRS, have nabbed a group of men who allegedly ran an elaborate Internet pyramid scheme that fooled investors as far away as Japan.

On Thursday, indictments were handed down against the five alleged ringleaders, including Salvatore Argento, 62, and Ben Tobin, 53, each of whom was arrested early Thursday in Coral Springs. Steve Hein and Bernard Roemmele were arrested in Pennsylvania, and Lester Gillespie was apprehended in Midway, Texas.

Each faces five counts of racketeering as well as charges of mail, wire and securities fraud, money laundering, extortion and obstruction of justice, all related to a company based in Boca Raton.

The arrests come on the heels of a three-month U.S. Department of Justice initiative called Operation Web Snare intended to catch computer criminals.

"America's justice community is seeking to anticipate, outthink and adapt to new trends in Internet crime," U.S. Attorney General John Ashcroft said in Washington.

CUFFED AND UNKEMPT

In Fort Lauderdale Thursday, before U.S. Magistrate Judge Lurana Snow, Argento and Tobin wore handcuffs and appeared unshaven -- worlds away from the wealth described in the 47-page indictment focusing on Professional Resources System International.

Before a Palm Beach judge shut down PRSI in January 2000, Argento, Tobin and their co-defendants scammed thousands of investors, according to the indictment. PRSI had raised \$16 million even before launching in 1999.

That year, as a state investigation cast doubts on the company's legitimacy, many investors, hoping to acquire a piece of the then-hot dot-com action, defended PRSI. One

posted a message on the company website calling the state inquiry ``putrid lies and attacks."

Argento and Tobin, meanwhile, were cashing in checks for \$295 apiece from investors and spending the money on themselves, the indictment states.

PRSI was the marketing arm of the Pennsylvania-based CITX, which purported to be a computer-technology firm that helped companies get on the Internet and provided software to medical professionals. PRSI hosted phony conventions for investors and posted false websites among other deceptions, the indictment alleges.

As with other multilevel marketing businesses, investors were promised that they could make more than \$100,000 a month by convincing their friends to become sales persons for a technology tool called SOHO, a kind of exclusive chatroom -- free of pornography or hackers -- where investors could network as well as sell their goods.

Customers who bought those goods would receive a bevy of such benefits as life insurance, luxury cars and cellphones.

ADDRESSING SUSPICIONS

There were some customers, however, who became suspicious of their choices in investment. To counter these questions, the indictment states, Argento, Tobin and others would send false profit statements.

The document also accuses Hein, PRSI's executive vice president, of committing perjury in the 2000 Palm Beach court case about the extent of CITX' crimes.

Judge Snow released Argento and Tobin on \$150,000 and \$100,000 bond, respectively.