

Southern District of Florida

Press Release

TWO ADDITIONAL DEFENDANTS CHARGED IN DVD VENDING MACHINE SCAM

July 19, 2007

FOR IMMEDIATE RELEASE

R. Alexander Acosta, United States Attorney for the Southern District of Florida, and Henry Gutierrez, Inspector in Charge, Miami Division, United States Postal Inspection Service, announced today that criminal fraud charges were filed against two additional defendants in a scheme to sell DVD vending machines. The charges are part of a continuing crackdown by federal authorities on "business opportunity" fraud in South Florida that during the last several years has sent 60 people to prison.

A federal grand jury in Miami, Florida returned a Superseding Indictment that charged defendant **Anthony Rocco Andreoni**, 47, of Hollywood, Florida, with conspiracy, mail fraud, wire fraud, and money laundering in connection with his involvement in American Entertainment Distributors, Inc. ("AED").

The Superseding Indictment also charged defendant **Russell G. MacArthur, Jr.**, with various fraud charges and with criminal contempt. MacArthur was originally indicted in 2005, fled to Costa Rica, and was recently extradited to the United States to stand trial. Andreoni had not previously been charged.

In addition, a criminal information was filed, charging defendant **Neal Isanuk**, 50, of Port St. Lucie, Florida, with conspiracy to commit mail fraud.

The Indictment states that MacArthur and Andreoni were the undisclosed founders of AED. Isanuk was a sales representative for AED. AED was based in Hollywood, Florida, and from 2003-2004, sold a business opportunity involving a DVD vending machine. More than 400 consumers throughout the United States lost \$19 million in the scheme. According to the Indictment, AED exaggerated the business' potential profits, falsely promised to secure good locations for the machines, and referred prospective purchasers to phony "references" who were on AED's payroll. The purchasers paid AED \$28,000 to \$40,000 per machine.

Nine individuals connected to AED have already been convicted in connection with the scheme, including Russell MacArthur's brother, James MacArthur, the president of AED, who is serving a 10-year sentence.

Those charged in the Indictment face up to 20 years imprisonment per count on the fraud charges. The money laundering charges against Andreoni carry a 10-year maximum sentence. There is no statutory maximum penalty for criminal contempt. Isanuk faces a maximum of 5 years imprisonment.

Mr. Acosta commended the investigative efforts of the United States Postal Inspection Service. This case is being prosecuted by Patrick Jasperse and Douglas Stearn, Trial Attorneys, United States Department of Justice, Office of Consumer Litigation.

A copy of this press release may be found on the website of the United States Attorney's Office for the Southern District of Florida at <http://www.usdoj.gov/usao/fls>. Related court documents and information may be found on the website of the District Court for the Southern District of Florida at <http://www.flsd.uscourts.gov> or on <http://pacer.flsd.uscourts.gov>.

Technical comments about this website can be e-mailed to the **Webmaster**. PLEASE NOTE: The United States Attorney's Office does not respond to non-technical inquiries made to this website. If you wish to make a request for information, you may contact our office at 305-961-9001, or you may send a written inquiry to the United States Attorney's Office, Southern District of Florida, 99 NE 4th Street, Miami, Fl. 33132.