



ALEJANDRO N. MAYORKAS

United States Attorney
Central District of California

Thom Mrozek, Public Affairs Officer
(213) 894-6947
thom.mrozek@usdoj.gov

April 3, 2001

PACIFIC PALISADES MAN PLEADS GUILTY IN \$12 MILLION SCAM

A Pacific Palisades man has pleaded guilty to five federal charges related to a fraudulent telemarketing scheme in which he sold bogus investments in wireless cable companies and defrauded 1,000 victims out of more than \$12 million, United States Attorney Alejandro N. Mayorkas announced today.

Ronald Henry Michel, 50, pleaded guilty late Monday to two counts of wire fraud, two counts of mail fraud and one count of money laundering. Michel entered the guilty pleas before United States District Judge David O. Carter.

By pleading guilty, Michel admitted that his fraudulent conduct began in 1992, when he and his co-conspirators created the first of several companies to market their fraudulent investments. Michel and the others first created Royal Pacific, Inc. (later known as Royal Pacific Communications), which operated in Venice, and then Pacific Wireless Corporation, which operated out of a boiler room in Santa Monica. Both companies were used to market investments in Southern Tennessee Wireless Cable, LLC., which purportedly would provide wireless cable television programming to consumers in Hohenwald, Tennessee.

The following year, Michel and his coschemers created Nationwide Wireless Corporation to promote investments in Greater Columbia Basin Wireless LLC, which was allegedly headquartered in Lauderhill, Florida but in fact was located in an office on Sunset Boulevard in Pacific Palisades. Investors in Nationwide Wireless were told it would provide wireless cable television programming in Kennewick, Washington.

Michel and the others convinced members of the public to purchase the investments in part by telling them that they could expect to earn 28- to 33-percent annual returns on their investments by the third year of ownership, and 109 to 110 percent annually by the fifth year.

In fact, the money raised from the investors was not used to develop the wireless cable operating companies, but was instead diverted to Michel's and his coschemers' personal use.

Michel's involvement in these wireless companies was hidden from prospective investors, because he had previously been ordered by the Federal Trade Commission to refrain from participating in investment schemes as a result of his participation in a fraudulent telemarketing scheme related to a company called Golden Oak Numismatics.

The investments in the wireless companies were promoted by "Sonny" Bloch on his nationally syndicated financial-advice program, "The Sonny Bloch Show," which had 1.5 million listeners in over 200 cities across the country. Bloch and 10 other telemarketers – including Bloch's son and Michel's brother-in-law – were convicted of federal fraud charges in 1996 in Newark, New Jersey in connection with investments in wireless cable and radio ventures.

Michel is scheduled to be sentenced by Judge Carter on July 16, at which time he faces a maximum

sentence of 40 years in federal prison.

A second defendant in the case, Stephen Regen, 39, of Tarzana, pleaded guilty to one count of money laundering. Regen is scheduled to be sentenced by Judge Carter on August 6, at which time he faces up to 20 years in prison.

There are three other defendants who were named along with Michel in a 60-count grand jury indictment. The remaining defendants are William Richard Horne, 51, of Marina Del Rey; Daniel Kelly, 68, of Canoga Park; and Phillip J. Caratozzolo, 54, of Phoenix. Trial for these defendants is set to begin on May 8. This case was investigated by the Federal Bureau of Investigation and the Criminal Investigation Division of the Internal Revenue Service.

Release No. 01-061

Return to the [2001 Press Release Index](#).

Return to the [Home Page](#)