

**For Immediate Release**  
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## **North County Man Pleads Guilty in \$20 Million Ponzi Scheme Involving Hundreds of Victims**

### *Scam Artist Sold Thousands of Internet Kiosks to Elderly Investors*

San Diego County District Attorney [Bonnie M. Dumanis](#) announced today that a Fallbrook man has pleaded guilty to fraud and other charges in connection with a multi-million dollar [Ponzi scheme](#) that targeted hundreds of mostly elderly investors.

“The defendants preyed on vulnerable, elderly victims, by taking their money and not delivering on their promises,” DA Dumanis said.

Edward U. Bevilacqua, 51, pleaded guilty to charges of fraud and deceit in connection with the sale of securities and was sentenced to seven years in state prison by San Diego Superior Court Judge Charles R. Gill. Bevilacqua and a co-defendant, Charles Castro, 50, of Brea, were indicted on 48 counts of securities fraud by a San Diego County Grand Jury in September 2006. Castro pleaded guilty to securities fraud in February 2008 and is serving a three year prison term.

The scheme conducted by Castro and Bevilacqua involved the sale of public access Internet terminals to consumers nationwide as a business opportunity. Castro was responsible for the promotion and sale of the so-called business opportunities, while Bevilacqua was to find locations for and manage the kiosks. The total loss to the victims in this case was more than \$20 million.

Consumers learned of the business opportunity through telephone, mail or in-person solicitations from local insurance agents and financial planners recruited by Castro. Using materials provided by Castro and Bevilacqua, the sales agents promised consumers secure profitable locations, a guaranteed monthly income generated by the kiosk usage, and annual returns of 12 percent or more. The Internet kiosks were designed to allow the public to access the Internet, for a fee, from locations such as hotels, bowling alleys, and restaurants. More than 450 consumers purchased thousands of these kiosks.

The prices charged to the consumers ranged from \$4,000 to \$7,000 per unit, and Bevilacqua through his companies, Bikini Vending and 360 Wireless, agreed to install the kiosks at designated locations and manage and service them. Only a fraction of the thousands of kiosks were installed. It was a Ponzi scheme since purchasers received monthly payments not from revenue generated by the kiosk usage, but from monies paid by later purchasers of the kiosks.

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