

Computer Firm chief indicted for \$5M stock fraud

By Kelbyn Anderson Daily Times Staff Writer

Philadelphia- The owner of a bankrupt Upper Darby Computer firm was indicted yesterday for masterminding a stock fraud that allegedly netted him \$5 million. Robert E. DeBiasse, 50 of the 1400 block of Morstein Road, West Chester, was the president and owner of Computer Input Services, Inc., formerly located in the 6900 block of Market Street, Upper Darby. From 1976 to 1982, CISI provided computer-related services and operated the Computer Communications Institute, which taught data entry and word processing skills. It was a fraud factory, not a legitimate business” said Assistant U.S. Attorney Marie A. Brown.

The 25-count indictment charges that DeBiasse fraudulently manipulated the financial statements of CISI to inflate the value of the company and its stock. The false information was filed with the SEC, and when CISI stock was sold publically based on that information, DeBiasse made approximately \$5 million in illegal profits, according to the indictment. DeBiasse fraudulently claimed as CISI income, tuition payments of \$3,500 each for 28 fictitious students in the Computer Communications Institute, according to the indictment.

CISI employees often posed as students themselves, and created sham enrollment agreements and other school documents at DeBiasse’s direction, Brown said. Inflated invoices and non-existent billings were also included as CISI income, the indictment states. In March, 1983 the SEC blew the whistle on CISI and shortly thereafter, the company filed for reorganization, and eventually total bankruptcy, according to SEC attorney David Horowitz. Seeing his self-made empire crumbling, DeBiasse lied to the SEC, stating that he ordered CISI maintenance employee Jim Harrell to destroy company documents in a garage on West Chester Pike as a “routine method of disposing of CISI records.”

The records were destroyed to impede the SEC’s investigation. The indictment states. DeBiasse’s wife Jeanne withdrew \$80,000 in cash from several banks in West Chester one day. And eventually withdrew almost \$1 million and sent it to the Cayman Islands to hide it from SEC investigators, Brown said. Neither Mrs. DeBiasse nor any of CISI’s employees were named in the indictment because the government believes he was the mastermind, Brown said.

Brown and Assistant U.S. Attorney Paul L. Gray have requested that DeBiasse forfeit all his current assests, including the house in West Chester, three houses in New Jersey and a 35-foot cabin cruiser named “Red Hots.” DeBiasse was arrested yesterday morning by FBI agents as he left his home in West Chester.

At a bail hearing in front of U.S. Magistrate Peter J. Scuderi yesterday afternoon, DeBiasee was represented by high-powered attorney A. Charles Peruto Jr., who said DeBiasse had known he was going to be indicted for 18 months, and had deposited several thousand dollars with the law firm for his trial. While DeBiasse’s two grandchildren cried and cooed in the background, Scuderi orded that he be held on \$250,000 bail, and report to pre-tial detention services three times a week. As a high school degree- was characterized by Brown as a man who “thinks he’s smarter than everybody else.”

DeBiase, who was dressed in jeans and a casual winter coat, sat quietly and tugged on Peruto's jacket, whispering comments to him. "This is a very dynamic guy who wanted to be rich... but he went about it the wrong way," Brown said.