



Rico Charges Filed Against ITEX Corporation and CEO Steven White

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Racketeer Influenced and Corrupt Organizations Act (RICO) charges were filed by Business Watchdog, a consumer protection organization, against [ITEX Corporation](#) and its executives CEO Steven White, Vice President Robert Benson, and Board of Directors Eric Best and John Wade. ITEX, located in Bellevue, Washington, processes the bartering transactions and commissions of 97 brokers/franchisees and 23,500 members throughout the United States and Canada.

The lawsuit seeks the removal of White, Best, Wade, and Benson from ITEX and the disgorgement of all funds paid by ITEX to them during the period of their alleged RICO violations and fiduciary breaches. This matter is before the Honorable Colleen McMahon of the United States District Court for the Southern District of New York (Business Watchdog, et al. v. ITEX Corporation, et al., Docket No. 13 CV 6794 (CM)). NYTO Trade Incorporated and its executives President John Castoro and Trade Manager Izzy Garcia are named in the lawsuit as co-conspirators. NYTO is located in Rahway, New Jersey.

Business Watchdog alleges, inter alia, that ITEX and its executives are: (1) an “association-in-fact criminal enterprise” that, aided by its brokers/franchisees, is illegally conducting business in 47 states and concealing and laundering millions of dollars of income, (2) systemically embezzling funds from the accounts of its members, (3) an unlicensed financial institution, (4) rigging the shareholders’ elections for Board of Directors and other matters, and (5) running an illegal interstate gambling operation. Except for NYTO and its executives, ITEX’s brokers/franchisees were not named as co-conspirators because they appear to be unknowingly participating in the alleged schemes.

The lawsuit also alleges that White and Benson improperly attempted to influence the outcome of an arbitration conducted by the American Arbitration Association by sending the arbitrator \$1,650 of ITEX’s funds and offering an additional \$55,000 to settle the arbitration in favor of White’s business associates NYTO, Castoro, and Garcia. ITEX, White, and Benson were not parties in the arbitration.

Business Watchdog received “many complaints against ITEX” and “the RICO charges were filed as a result of over two years of unproductive efforts that sought ITEX’s voluntary discontinuance of the alleged criminal practices and other improprieties.” For additional information, see Trouble Ahead for ITEX at <http://businesswatchdog.info/>.

Business Watchdog states “The bartering industry plays an important role in the United States’ economy. However, White’s, Best’s, Wade’s and Benson’s participation does a disservice to the industry, is harming ITEX’s reputation, and harming the reputations of trade exchanges that are honest, obey applicable laws, and compete fairly.”

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