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FOR IMMEDIATE RELEASE

Consumers Who Bought Fake Supplements Getting Restitution Checks

(Phoenix, Ariz. – May 31, 2006) Attorney General Terry Goddard announced that some 25,000 checks totaling more than \$4 million have been mailed to consumers who purchased fake nutritional supplements from Scottsdale-based C.P. Direct.

The checks, which average \$150, are restitution obtained through a civil racketeering case in which the operators of C.P. Direct admitted defrauding tens of thousands of customers nationwide. The sellers of these “nutritional” supplements falsely advertised that their pills would produce permanent physical enlargement of human sexual organs and other body parts in a matter of months.

C.P. Direct was shut down in May 2002 after the Attorney General and Department of Public Safety seized its offices and records. The Attorney General’s Office had the company placed under a court-appointed receiver to manage its assets and compensate customers for their losses.

Company principals Michael Consoli, Vincent Passafiume and Suzanne Rye pleaded guilty in March 2003 to charges of money laundering and fraud. They agreed to forfeit over \$45 million in personal and business assets obtained from their illegal business activities. The forfeited assets are funding the checks to customers who submitted claims.

Goddard pointed out that these types of “nutritional” supplements are not subject to federal regulations that apply to prescription or over-the-counter drugs.

“Buyers must be especially wary of claims made by sellers of nutritional supplements,” Goddard said. “The defendants said they discovered a unique formula, their advertising claimed extensive medical research, and their ads showed what was claimed to be a research facility, all of which were admitted falsehoods.”

In fact, C.P. Direct’s medical research consisted largely of copying other fraudulent sellers’ material from the Internet. The research facility featured in the ads was actually the C.P. Direct shipping center, and the formula was a collection of harmless but unproven ingredients copied almost exactly from other fraudulent sellers’ products.

In fact, the same formula was used for different products which advertised very different effects on different parts of the male and female body. Evidence presented in this case and admitted by the defendants showed there is no medical basis for claims that pills of any kind cause enlargement of male or female sex organs.

The case is being prosecuted by Assistant Attorney General Mark Knops.

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