



Anatomy of a penis pill swindle

\$74 million later, law catches up with Arizona con artists

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June 5, 2003 - Giving Americans a first glimpse of an industry flourishing at the intersection of larceny and libido, authorities in Arizona are seizing the assets of a Scottsdale company that sold more than \$74 million worth of pills that it claimed would enlarge penises or breasts, make the consumer taller or hairier — even sharpen his or her golf game. But despite such audacious claims, the company — C.P. Direct — would likely still be gouging the gullible if its founders hadn't decided to also illegally charge consumers' credit cards, industry insiders say.

The C.P. Direct case, apparently one of the first criminal prosecutions of a seller of "body enhancement" supplements, will do nothing to halt the avalanche of e-mail touting products that claim the ability to turn your Volkswagen into a Chevy Suburban, anatomically speaking. But it has triggered concern among other purveyors of pills, creams and nutritional products promising too-good-to-be-true results.

"Other sellers have toned down their ad copy a bit because of what happened to the C.P. Direct guys," said A.J. "Big Al" Alfaro, whose forsize.com Web site touts a strenuous regimen of stretching and exercise as the true path to penis expansion. "You've got to be careful what you say. Even with the exercises, I can't promise anything."

The case also has opened a window on just how lucrative the painless body enhancement business can be, especially if you're willing to ignore regulatory niceties and consumer-protection statutes.

Under a settlement of a civil complaint announced last month by the Arizona attorney general's office, the state is seizing 13 luxury homes and property valued at more than \$20 million, a fleet of expensive automobiles and tens of millions of dollars of cash from C.P. Direct and its main officers, Michael Consoli, Geraldine Consoli and Vincent Passafiume, all of Scottsdale.

'Gross ... alterations' guaranteed

Prosecutors described the assets as the proceeds of the fraudulent sale of "herbal-based nutritional supplements ... guaranteed to induce gross physical alterations of the human body."

In a parallel criminal case, Michael Consoli, 45, and Passafiume, 29, Consoli's nephew, also are expected to be handed a year in jail when they are sentenced on state fraud and money laundering charges on July 21. A third defendant, Suzanne Rye, 32, Passafiume's girlfriend and a business associate, also pleaded guilty as part of a deal with prosecutors but is not expected to serve any jail time under the prosecution's sentencing recommendation.

Court documents filed in the case show that the company's big money-earner was the Longitude penis-enlargement pill, which it described in advertisements as "a breakthrough product that will make your penis grow until you are satisfied with your new size." The ad recommended that users should discontinue the pills after reaching nine inches in length to avoid discomforting sexual partners.

The pills were advertised on Howard Stern's nationally syndicated radio show, in men's magazines, including Playboy, Penthouse and Maxxim, and over the Internet, though it is unclear whether the

company or its network of "affiliates" was responsible for waves of spam touting Longitude.

The company also offered a breast-enlargement pill — Full and Firm, advertised as an "implant in a bottle" that would increase the bust size of the consumer by "two or three cup sizes" in a matter of weeks — as well as other capsules said to perform their own medical miracles: Follicure (grow hair), Stature (increase height by up to four inches) and Long Jack (improve golf game).

Larry Warfield, [the court-appointed receiver](#) in the case, said the company sold \$74 million worth of Longitude, Full And Firm and Stature in the two years before agents from the U.S. Customs Service and the Arizona Department of Public Safety shut the business down last year. A company employee who cooperated with the investigation estimated that Longitude accounted for 90 percent of the company's sales.

But Desi Rubalcaba, the prosecuting attorney handling the case for the attorney general's office, said the Consolis and Passafiume may have earned more than that. "That's been a bone of contention because they operated another business (that allegedly engaged in fraudulent practices) prior to that," he said.

No tests, no experts

According to court documents, when agents served a search warrant on C.P. Direct's offices on May 23, 2002, Rye said that she and Passafiume studied ingredients listed on Web sites advertising similar products before concocting the formula for Longitude. She acknowledged that they had never consulted any medical experts or done any scientific testing of the product, contrary to claims on the C.P. Direct Web site, the documents said.

To the surprise of none of the investigators, analyses of the company's various products conducted after the search showed they were "all the same thing," said Customs Agent Steve Alair.

Investigators also brought in a noted endocrinologist, Dr. Glenn Braunstein, to examine the pills' ingredients.

"I am unaware of any scientific or medical evidence that can support or justify the advertising representations made for the Longitude formula as to its effect on penis length," he wrote in court documents.

A law enforcement source, who spoke with MSNBC.com on condition of anonymity, put it more succinctly: "The only thing that was increasing was the size of the perpetrators' bank accounts."

That rapid rise was fueled in part by the company's refusal to provide promised refunds to unhappy customers and fraudulent credit card billing practices, according to the court papers. Most customers who called the company's toll-free line seeking to stop automatic monthly delivery of the product or to demand their money back were unable to get through, and those who did were promised refunds that never were sent, the papers said.

Warfield, who believes that between 350,000 and 500,000 people fell for the scam, is responsible for selling the seized assets and reimbursing the victims. He said he expects to disburse about \$35 million — less than half of what the company took in through its fraudulent sales — to those purchasers he can locate. Most of the missing money went to pay the company's advertising costs, which Warfield said were around \$1 million a month.

"I have no comfort whatsoever as to the validity of the company's records," he said, urging those who purchased the product to contact his office through the Web site he has established to keep victims abreast of developments.

A niche divided

Also uncomfortable with the recent developments are "Big Al" Alfaro and colleagues who say they are traveling the high road to penis enlargement by offering instruction on how to stretch and strengthen the organ through exercise.

"What we do works," said Brandon Reece, president of Reece Marketing of St. Joseph, Mo., who has operated penilefitness.com since 1999. "You get tiny little fiber tears in the cells, similar to what happens with a muscle. It heals and becomes a little stronger, a little larger."

Reece said the idea that a pill could enlarge the male sex organs makes nowhere near as much sense.

"When you take a pill, it goes through your whole body," he said. "If a pill could make your penis grow by somehow affecting the soft tissue, it would swell your nipples and lips and nostrils as well."

But both Alfaro, who works as a consultant to several penis enlargement pill sellers, and Reece said that C.P. Direct would likely still be selling its pills today if it hadn't illegally charged customers' credit cards without reauthorization.

"They had a big problem with consumer complaints," Alfaro said. "A lot of them were placed on autoship and they couldn't stop. When you do things like that, you're going to get cracked down on."

At the federal level, the Federal Trade Commission hasn't filed any complaints against any companies offering penis-enlargement products, despite the dubious nature of their claims.

But Janet Evans, a staff attorney, said the agency has "done a whole lot" in the area of fraudulent claims by makers of supplements and body-enhancement products, including halting the sale of the Isis System, a dietary supplement and topical cream purported to enlarge breasts, and a suite of bogus Viagra-like impotence-treatment products. The agency also refers cases to states, which can levy tougher penalties against fraudulent sellers, she noted.

Careful selection of targets

But Evans acknowledged that, out of necessity, the agency has to carefully choose its targets.

"We look at the complaints, look at the cost of the product, is there a safety issue?" she said. "... We could bring 100 cases a day. You try to pick cases that will get the message out."

The FTC also is searching for solutions to the problem of unsolicited e-mail, otherwise known as spam, a significant component of which is made up of offers for health or body-related products.

Stu Sjouwerman, founder and chief operating officer of Sunbelt Software, developer of "I Hate Spam" filter, said that a check of a recent random sample of spam indicated that between 23 and 25 percent of the email was offering such products, mainly penis- or breast-enlargement products, weight-loss medications or prescription drugs.

With e-mail levels said to be approaching 40 billion a day worldwide, and estimates suggesting that about 40 percent of the email is spam, that would translate to nearly 4 billion health- and body-related product pitches circling the globe daily, he said.

While the FTC acknowledges it is not close to devising a solution to the spam problem, many observers give the agency high marks for reining in some of the most egregious frauds on the Internet.

"They have a budget and their philosophy is that if there's a product that's probably harmless, they're not going to worry about it because they have to put their money where it will do the most good," said Dr. Ira Sharlip, founder and immediate past president of the Sexual Medicine Society.

Sharlip said blame for the wide-open marketing of dubious — and sometimes dangerous — supplements properly rests with Congress, which in 1994 passed the Dietary Supplement Act.

"That so weakened the ability of the FDA to do something about claims, it almost put them out of business," he said.

Limits to government's role

But Sharlip and others in the medical profession say that consumers can't count on government to shield them from every fraud that comes down the pike, particularly in the age of the Internet.

"People are getting all different things to enhance their appearance and sexuality ... like having surgeries on their penises and vaginas," said Al Cooper, a sex therapist in the San Francisco Bay Area and an MSNBC.com contributor. "Before they go in for a \$6,000 surgery, they'll try 50 dollars worth of pills, so they're susceptible to this kind of thing."

Stephen Barrett, a retired psychiatrist who operates the quackwatch.org Web site, said that consumers have to develop some defense mechanisms that will enable them to sniff out at least the most obvious frauds, or face the consequences.

"I think that the average person thinks that the government protects us and that if (a product's claims) weren't valid, somehow or other it wouldn't be allowed," he said. "Obviously, that needs to change."

Warfield, the receiver in the C.P. Direct case, isn't holding his breath.

"I guess it was like P.T. Barnum said, 'There's a sucker born every minute,'" he said. "I just have to shake my head."

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