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District of New Jersey

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Former Employee Of Timeshare Consulting Firm Sentenced To 15 Months In Prison For Conspiring To Defraud Timeshare Owners

CAMDEN, N.J. – A former employee of The Vacation Ownership Group LLC was sentenced today to 15 months in prison for his role in conspiring to defraud owners of timeshare properties by offering phony consulting services, U.S. Attorney Paul J. Fishman announced.

Steven Cox, a/k/a "Steve Coluzzi," 52, of Ventnor, N.J., pleaded guilty on May 7, 2013, before U.S. District Judge Noel Hillman to a superseding information charging him with one count of conspiracy to commit mail and wire fraud. Judge Hillman imposed the sentence today in Camden federal court.

According to documents filed in these cases and statements made in court:

The Vacation Ownership Group, a/k/a VO Group LLC, had offices in Mays Landing and Egg Harbor Township, New Jersey, and claimed to offer consulting services to owners of timeshares, including cancelling, purchasing and upgrading the timeshares.

In 2010, Cox and several co-defendants started working at the VO Group and were trained by VO Group managers to call customers using prepared scripts. The defendants gave the customers the false impression that they were working for a bank or lending institution. After hearing defendants' false representations, some customers sent checks to the VO Group. Cox told one victim that the victim could settle his timeshare debt for a large discount by mailing a $26,585 check to the VO Group. Cox admitted causing more than $200,000 in losses.

In addition to the prison term, Judge Hillman sentenced Cox to three years of supervised release. Restitution will be determined at a future hearing.

U.S. Attorney Fishman credited special agents from the FBI's Atlantic City Resident Agency, under the direction of Acting Special Agent in Charge Andrew Campi in Newark; and special agents from the Department of Labor, Office of Inspector General, Office of Labor Racketeering and Fraud Investigations, under the direction of Special Agent in Charge Cheryl Garcia, New York Region, for their roles in the investigation leading to the guilty pleas. He also thanked the N.J. Department of Labor, Benefit Payment Control Unit, for its assistance.

The government is represented by Assistant U.S. Attorney R. David Walk, Jr. of the U.S. Attorney's Office Criminal Division in Camden. ###