



Department of Justice

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FLORIDA WOMAN SENTENCED TO 14 YEARS IN FEDERAL PRISON AFTER ILLINOIS JURY FINDS HER GUILTY OF TELEMARKETING FRAUD

Kathryn G. Garten, 52, of Orlando, Florida, was sentenced on November 19, 2013, in United States District Court, to 14 years in federal prison for her role in a nationwide telemarketing scheme which defrauded persons throughout the United States and Canada, including victims in seven counties in the Southern District of Illinois, Stephen R. Wigginton, United States Attorney for the Southern District of Illinois, announced. A jury in the Southern District of Illinois convicted Garten of conspiracy to commit mail and wire fraud in August 2013. She was remanded to federal custody immediately after the verdict was announced and appeared for her sentencing in a prison uniform.

“Ms. Garten came to her trial driving a new, expensive, luxury automobile. She left after her trial in chains. Yesterday she appeared in an orange prison uniform and left for her sentence in a Marshal’s van.” observed United States Attorney Wigginton. “The lesson is simple – do not try to defraud innocent victims in order to line your pockets. Scammers beware - my office, the Federal Trade Commission, and the United States Postal Inspection Service will not tolerate fraud on our citizens.”

Garten was a telemarketer who worked for National Solutions and related companies located in Orlando, Florida. The scheme operated under more than a dozen business names including Bluescape Timeshares International, Country Wide Timeshares, Countrywide Timeshares MA, Landmark Timeshares, Property Direct, Quicksale Property, Sun Property Networks, Sun Property’s, Universal Property, VIM Timeshares, Property DRK, Quick Sale Advisers, Quick Sale International, City Resorts, Resort Advisers, American Timeshares, Exit Week, and Resort Advisors International.

Telemarketers for National Solutions placed cold calls to timeshare owners and then falsely represented that their company had actual buyers for the owners' timeshare property. The company solicited advanced fees of up to several thousand dollars from each victim in purported closing costs that were to be refunded to the owner at closing. Many timeshare owners were told that their closings would occur within a matter of days.

Despite collecting fees from these victims, the National Solutions companies were not successful in selling a single timeshare unit and indeed made little effort even to market the properties for sale. Instead, Garten and her co-conspirators simply pocketed the advanced fees.

Garten's participation in the scheme began in April 2008 and continued through July 13, 2011, when the Federal Trade Commission raided the business pursuant to a court order. From 2007 to 2011, over 2,500 timeshare owners across the country were scammed by the National Solutions businesses to the tune of more than \$6 million.

In pronouncing the sentence, the United States District Judge rejected the contention that Garten was merely a minor participant in a larger scheme: "This was a very serious crime," he remarked, "and she was a big part of it. She's richly deserving of punishment, and she's going to get it." he said. Were it not for her age, he offered, the sentenced would have been higher, noting that the 168-month sentence fell at the very bottom of the range recommended by the United States Sentencing Guidelines.

As part of her sentence, Garten was also ordered to pay \$909,278.00 in restitution to the identifiable victims of the crime. When she completes her prison sentence, she will remain on supervised release for five years.

This prosecution, one of many in the Southern District of Illinois, follows an investigation by the Midwest Region Office of the Federal trade Commission and the St. Louis Field Office of the Chicago Division of the United States Postal Service. The case was prosecuted by Assistant United States Attorney Nathan Stump and Special Assistant United States Attorney Theresa Dawson.

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