



Woman enters guilty plea to defrauding thousands in telemarketing real estate scam

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EAST ST. LOUIS - Cynthia L. Rawlinson, 51, of Santa Barbara, California, appeared at the federal courthouse in East St. Louis, Illinois, this morning and pleaded guilty to a federal charge of conspiracy to commit mail fraud and wire fraud.

Rawlinson's criminal conduct occurred over a seven year period, during which she worked for a Santa Barbara telemarketing business owned by Michael S. Davenport, 50, former bass guitar player for the rock band, The Ataris. Davenport's business changed names several times and was known at various times as MDSQ Productions, LLC, Housing Standard, LLC, Anchor House Financial, American Standard, American Standard Online, and Your American Standard. Court documents simply refer to the business as "American Standard."

As part of her guilty plea, Rawlinson admitted that she worked for several years as a salesperson for American Standard before eventually being promoted to sales manager. She also admitted that American Standard had fraudulently placed ads on Craigslist listing certain houses for sale or rent at very favorable prices when, in fact, the houses described in the ads didn't exist.

Consumers who responded to the ads were told they would have to purchase American Standard's list of houses before they could see any additional information. Consumers were also told that the houses on American Standard's list were in "pre-foreclosure," that they could purchase the properties by simply taking over the homeowners' mortgage payments, and that the deeds to the homes would then be transferred into the customers' names. The \$199 fee that American Standard charged to access the list was purportedly to cover the cost of title searches and deed transfers. No matter what area of the country the consumer lived in, American Standard salespersons told them that the list contained numerous pre-foreclosure properties available in their area.

After the customers paid the \$199 fee, they learned that the houses on American Standard's list were not available to be purchased. A substantial number of the addresses contained on the list were fictional, or there were simply no houses at those locations. In numerous other instances, the houses were not in pre-foreclosure or financial distress, and were not available to be purchased at below market prices. If the customers asked for more information about the houses they had seen on Craigslist, American Standard's Customer Service Department always informed them that the houses were no longer available.

The American Standard conspiracy and scheme to defraud operated from approximately January 2009 through at least October 5, 2016, and victimized over 100,000 people to the tune of more than \$25,000,000. There were victims located in all 50 states and the District of Columbia. Over 100 victims of the scam were located within the Southern District of Illinois, spread across 22 counties, with multiple victims in both St. Clair and Madison Counties. American Standard's list included 534 houses located in Southern Illinois.

Rawlinson is scheduled to be sentenced on January 24, 2019, at 1:30 p.m. at the federal courthouse in East St. Louis, Illinois. Under the federal SCAMS Act, because the crimes involved telemarketing and victimized ten or more people over the age of 55, Rawlinson could receive as much as 30 years imprisonment and a fine of up to \$250,000. She may also be ordered to pay restitution to her victims.

Davenport was charged in the same indictment as Rawlinson. He entered his guilty plea on September 28 and is scheduled to be sentenced in East St. Louis on December 28, 2018, at 10:00 a.m. Three other former American Standard employees also pleaded guilty in the Southern District of Illinois earlier this year. Mark A. Phillips, 50, and Semjase E. Santana, 37, were salespersons at American Standard's headquarters in Santa Barbara, California. Carlynne L. Davis, 33, was a salesperson in the company's Lompoc, California branch office. All three are currently awaiting sentencing.

This case is part of an ongoing investigation by the St. Louis Field Office of the Chicago Division of the United States Postal Inspection Service. The Office of the Honorable Joyce E. Dudley, District Attorney for Santa Barbara County, and the Santa Maria Office of the FBI have provided substantial assistance in the investigation. The case is being prosecuted by Assistant United States Attorneys Scott A. Verseman and Derek Wiseman.