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## Markets

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### Infomercial Pitchman Jailed for Fraud

By MARYCLAIRE DALE Associated Press Writer  
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PHILADELPHIA — A TV pitchman who defrauded customers, banks and vendors out of \$39 million by selling them faulty computers was sentenced Tuesday to more than seven years in prison by a judge who called his conduct "unforgivable."

George Capell, 51, continued to scheme until the end, tapping a secret bank account even after his bankruptcy and guilty plea to indulge a taste for strip clubs, fancy cars and a Florida condominium.

"This to me is unforgivable," U.S. District Judge Anita B. Brody said in handing down an 86-month sentence, near the top of the sentencing guidelines.

Capell's lawyer, Scott DiClaudio, blamed the losses on "a failed business model."

After seeing Capell's infomercials, some customers spent upward of \$2,000 apiece on computer systems that arrived, if at all, with broken or missing parts. Many of the customers were disabled or unemployed, and needed the computers to find jobs, the judge said.

Others lived in rural areas far from an electronics store, and were forced to buy computers sight unseen, said bankruptcy court trustee Lawrence Lichtenstein. The bilked customers, who came from more than a dozen states, have received restitution of 25 cents on the dollar, Lichtenstein said. He hopes to eke out another 10 cents on the dollar for them through the sale of Capell's condominium and half the proceeds of Capell's \$1 million home in Plumsteadville, Bucks County.

Capell's wife Lynn is entitled to the other half of the house proceeds. She was in court Tuesday with the couple's three children, ages 20 through 23.

"I'm truly sorry for those people that were hurt in this case. I thought I could make it work, but I was wrong," Capell told the judge.

Capell pleaded guilty to 41 fraud and money laundering counts in April. His company, which did business as the Video Computer Store, ran a call center and warehouse in Pipersville from 1999 to 2001.

After the plea, he failed to disclose the Florida bank account to authorities. Prosecutors say he used the account as a personal slush fund, spending \$50,000 at strip clubs from April to June and paying \$25,000 down and nearly \$900 a month from the account on a Mercedes Benz lease.

"You cannot use a 'bad business model' to camouflage fraud," Brody told Capell.

Financial companies, some of which financed the consumer purchases, lost \$22.6 million, vendors lost \$13.5 million and consumers lost \$3 million, the government said.

Capell was ordered to pay nearly \$32 million in restitution, but Lichtenstein doubts victims will see anything close to that amount, even after Capell leaves prison.

"Before, after or in this world, zilch \_ unless we find it in Honduras," the trustee said. He has recovered just over \$1 million so far.

Capell's chief financial officer, Patrick Buttery, pleaded guilty to similar crimes and is scheduled to be sentenced on Jan. 30.

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