

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
970 Broad Street, Seventh Floor
Newark, New Jersey 07102



Christopher J. Christie, U.S. Attorney

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Contact:

Michael Drewniak, PIO
973-645-2888

cori0130.rel
FOR IMMEDIATE RELEASE
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Chief Cooperating Witness in Cendant Accounting Fraud
Sentenced to Three Years of Probation, Six Months House Arrest

(More)

Public Affairs Office
Michael Drewniak, PAO

973-645-2888

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BRIDGEPORT, Conn. – The former chief financial officer to a predecessor company of Cendant Corp. was sentenced today to three years of probation with six months of home confinement for his role in the accounting scandal that ultimately led to prosecutions and long prison sentences for Cendant's former chairman and vice chairman, U.S. Attorney Christopher J. Christie announced.

In imposing sentence, U.S. District Judge Alan H. Nevas cited the “extraordinary” cooperation of Cosmo Corigliano, 47, of Old Saybrook, Conn., in the successful federal prosecutions of Cendant chairman Walter A. Forbes and vice chairman E. Kirk Shelton.

Forbes was convicted in a second retrial (his third trial) and was sentenced by Judge Nevas on Jan. 17 to 12 years and seven months in prison. Another federal judge sentenced Shelton – who was convicted in January 2005 – to 10 years in prison on Aug. 3, 2005. Both men were ordered to make restitution of \$3.275 billion.

Corigliano, who pleaded guilty in 2000, was the government’s chief cooperating witness in the prosecutions of Forbes and Shelton. Christie said the difference in treatment at sentencing of Corigliano versus Forbes and Shelton was appropriate.

“Corigliano was certainly a significant cog in the fraud,” Christie said. “But his cooperation was long-running, complete and essential in helping us convict the true perpetrators of this colossal accounting fraud. Other corporate figures who ever find themselves similarly situated should take note of the different sentences.”

Judge Nevas also ordered Corigliano to serve 300 hours of community service. The Judge did not impose a fine or order restitution, noting that Corigliano had settled by paying the Securities and Exchange Commission \$14 million in 2004.

Corigliano was the chief financial officer at CUC International, Inc., then of Stamford, Conn. Cendant was created by the merger of CUC and Parsippany, N.J.-based HFS, Inc. in December 1997. Corigliano pleaded guilty on June 14, 2000, to one count of conspiracy to commit mail and wire fraud and make false statements in reports to the SEC, and one count of wire fraud.

On Monday, Judge Nevas, noting their cooperation in the government prosecution of Forbes and Shelton, sentenced two other co-conspirators to probation: Anne Pember, a former director of accounting at the CUC division Comp-U-Card and CUC controller from June 1997 to the Cendant merger, to two years of probation and 200 hours of community service; and Casper Sabatino, a CUC accountant in charge of the company's external reporting, including quarterly and annual reports to the SEC, to two years of probation.

The guilty pleas of Corigliano, Pember and Sabatino occurred on the same day in U.S.

District Court in Newark, N.J., where the cases against them and Forbes and Shelton were indicted. Following the pleas, the case was transferred to federal court in Connecticut upon a motion by the Forbes and Shelton defense teams.

Forbes and Shelton were prosecuted by Assistant U.S. Attorneys Michael Martinez and Craig Carpenito. They represented the government at today's sentencings.

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Defense attorneys:

Corigliano: Gary Naftalis, Esq. New York

Pember: Helen Gredd, Esq. New York

Sabatino: Edward Dauber, Esq. Newark