



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600

FBI
JIM MARGOLIN, RICHARD KOLKO
PUBLIC INFORMATION OFFICE
(212) 384-2720, 2715

MANHATTAN U.S. ATTORNEY CHARGES
FORMER CONTINENTAL AIRLINES SALES AGENT
IN FAKE TICKET VOUCHER SCHEME

PREET BHARARA, the United States Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced that VICTORIA SCARDIGNO, a former sales agent for Continental Airlines at Newark Liberty International Airport in New Jersey, was arrested this morning on wire fraud charges stemming from a \$1 million scheme involving the sale of hundreds of fake ticket vouchers. SCARDIGNO is expected to be presented in Manhattan federal court later today.

According to the Complaint unsealed in Manhattan federal court:

While employed at the airline, SCARDIGNO misappropriated from its offices hundreds of vouchers that the airline uses to compensate customers who had already paid for travel on Continental Airlines for flight delays, cancellations or situations in which customers were denied boarding due to, for example, overbooking. After taking the vouchers, SCARDIGNO hatched a scheme to sell them to prospective passengers, on the fraudulent pretext that they could be redeemed for a round-trip ticket anywhere in the world. SCARDIGNO sold over 1,750 such vouchers, at a purchase price of approximately \$500 to \$600. SCARDIGNO took in approximately \$1 million from the fraud, which was deposited directly into her personal bank account.

In fact, Continental Airlines offers no such voucher program, and SCARDIGNO's representations that the vouchers could be redeemed for air travel were false. When passengers attempted

to redeem their vouchers through SCARDIGNO, she used some of the fraud proceeds to purchase tickets for these passengers, in order to keep the fraudulent scheme going. As a result, since the cost of the tickets far exceeded the cost of the vouchers, most of the voucher purchasers were unable to redeem their vouchers. SCARDIGNO used at least some of the illicit proceeds to pay off personal debts and to purchase thousands of dollars of luxury goods from stores such as Louis Vuitton and Coach.

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SCARDIGNO, 32, of Weehawken, New Jersey, is charged with one count of wire fraud, which carries a maximum penalty of 20 years in prison, a fine of \$250,000 or twice the gross gain or loss, and restitution.

Mr. BHARARA praised the investigative work of the FBI. Mr. BHARARA also thanked the Corporate Security department of Continental Airlines for their assistance. Mr. BHARARA said that the investigation is continuing.

United States PREET BHARARA said: "Victoria Scardigno allegedly tricked hundreds of unsuspecting air travelers, promising them the benefits of a plan that turned out to be nothing more than a frequent fraud program. Instead of the tickets they paid for, the would-be passengers received worthless pieces of paper, while Scardigno allegedly got nearly a million dollars of their hard-earned money in return. This Office will continue to work closely with the FBI and corporate security departments like Continental's to make sure those who hatch predatory frauds like this one do not go unpunished."

FBI Assistant Director-in-Charge JOSEPH M. DEMAREST, JR., said: "When it comes to dreaming up fraudulent schemes, it seems the sky is the limit. Would-be swindlers keep devising new ways to attempt to defraud. But they all make the same age-old mistake: they don't think we'll catch them."

This matter is being handled by the Office's Complex Frauds Unit. Assistant United States Attorney ANTONIA M. APPS is in charge of the prosecution.

The charge and allegations contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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