



Department of Justice

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FOR IMMEDIATE RELEASE
MONDAY, OCTOBER 31, 2011
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“AUTO WARRANTY” TELEMARKETERS SENTENCED TO FIVE YEARS IN PRISON PLUS FIVE YEARS OF SUPERVISED RELEASE

Stephen R. Wigginton, United States Attorney for the Southern District of Illinois, announced today that **CHRISTOPHER D. COWART**, 50, of Ft. Lauderdale, Florida, and **CRIS D. SAGNELLI**, 46, of Boca Raton, Florida, were sentenced today to five years imprisonment, fined \$15,000, and given five years of supervised release to be served after they are released from prison.

The sentencing was the result of their December 13, 2010, plea of guilty to federal fraud charges arising out of the telemarketing sales practices of Transcontinental Warranty, a Florida company selling so called “auto warranties” through robo dialing and voice blasting. The charges followed a lengthy investigation by the U.S. Postal Inspection Service and the Federal Trade Commission in Chicago. **COWART** was the President and **SAGNELLI** the Vice President of the company.

“Today, these businessmen learned the consequences of operating a scam on American consumers. Driven by greed, they designed and operated a telemarketing scam that misled innocent consumers into believing that they were purchasing a vehicle warranty from a vehicle manufacturer when in fact they were not. This sentence should send a message loud and clear to other businessman who prey on innocent consumers with these type of scams that we will come after you and in the end you will be facing a lengthy prison sentence,” said U.S. Attorney Stephen Wigginton.

“Thousands of consumers across the country have complained about illegal robocalls supposedly selling extended auto warranties,” said C. Steven Baker, Director of the Federal Trade Commission’s Midwest Region. “It is a great victory for the public that our agencies have been able to work together to achieve such important results, and it again demonstrates the excellent work being done for consumers everywhere by the U.S. Attorney’s Office for the Southern District of Illinois.”

The Criminal Information alleged that Transcontinental Telemarketers falsely implied that they were calling from, or were affiliated with automobile manufacturers, represented that the consumer's factory warranty had expired or was about to expire, and offered consumers the opportunity to extend or reinstate their factory warranty. However, Transcontinental had no affiliation with any automobile manufacturer and had no ability to extend or reinstate the manufacturer's warranty. Instead, Transcontinental was selling vehicle service contracts from third party companies. These contracts provided some coverage for automobile repairs similar to, but not identical with, that of a factory warranty.

The Criminal Information alleged that Transcontinental used another company to act on Transcontinental's behalf to robo-dial customers throughout the United States. The company used equipment that could automatically dial every telephone number in an area code, play a pre-recorded message telling the customer that their auto warranty was supposedly expired or about to be expired and then transfer the call to Transcontinental telemarketers. The Criminal Information alleged that consumers "were inundated by a tsunami of unsolicited and unwanted calls," that "the calls were relentless and the recipients of these calls for the most part found it impossible to make them stop." Once the customer answered a call, it was transferred to a Transcontinental telemarketer who told the customer that he or she was calling from the "Warranty Service Center," which the Information alleged was a "fictitious name" implying that the call was from the warranty service center of the automobile customer.

This is the latest in a series of major national and international mass marketing fraud prosecutions undertaken by the U.S. Attorney for the Southern District of Illinois together with the U.S. Postal Inspection - Chicago Division and the Federal Trade Commission - Midwest Office. "Our office has an excellent reputation in the nation for investigating, prosecuting and convicting major mass marketing fraudsters. Assistant United States Attorney Bruce Reppert, who is the Chief of the Fraud & Corruption Unit , and I work closely together with various federal agencies in tracking down and prosecuting corrupt telemarketers," added U.S. Attorney Wigginton.

Consumers who believe that they have been the victim of a consumer fraud should contact the Federal Trade Commission. To file a consumer complaint, visit the FTC's online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,500 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's Web site provides free information on a variety of consumer topics. The prosecution was handled by U.S. Attorney Stephen R. Wigginton and Assistant U.S. Attorney Bruce E. Reppert

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