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## 2 Fla. men ordered to prison in telemarketing scam

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EAST ST. LOUIS, ILL.

Two former Florida-based telemarketing executives have been sentenced to five-year prison terms for pitching \$40 million in bogus auto-service warranties through unsolicited calls fielded by recipients from a U.S. senator to a state's top law enforcer and people who didn't even have cars.

A federal judge also fined Christopher Cowart, 50, of Fort Lauderdale, Fla., and Cris Sagnelli, 46, of Boca Raton, Fla., \$15,000 apiece on Monday and ordered them to spend five years on post-prison supervised release.

Both men had pleaded guilty last December to a felony count of using a fictitious name as part of a mail-fraud scheme they carried out while doing business as Transcontinental Warranty Inc., which the U.S. government said in court filings was behind unwanted sales calls "blasted to every corner of the United States." Recipients of the pitches included a U.S. senator during a committee meeting, Indiana's attorney general and consumers on the Federal Trade Commission's "Do Not Call" registry.

"Transcontinental Warranty was at the forefront of this onslaught on the consumer's peace and tranquility, assaulting the consumer's right to be let alone," the U.S. government's sentencing memorandum alleged.

Prosecutors have said Transcontinental Warranty -- with Cowart as its president and Sagnelli as vice president -- ran the scheme from June 2007 until a federal judge in Chicago ordered it to halt the use of deceptive "robo-calls" warning people their auto warranties were expiring and offering to sell them new service plans. That injunction followed a lawsuit against Transcontinental and another company by the Federal Trade Commission seeking to halt a wave of as many as 1 billion automated, random, prerecorded calls about auto-service warranties.

Cowart and Sagnelli were "driven by greed," said southern Illinois' top federal prosecutor, Steven Wigginton.

"The scheme was like a tsunami of consumer calls," pitching the bogus warranties to homes while overwhelming businesses and even targeting government offices in all 50 states and several other countries, Wigginton has said.

The U.S. government's pursuit of Transcontinental marked one of many Florida-based telemarketing schemes to be prosecuted by southern Illinois' U.S. Attorney's office, which specializes in the often-complex matters. Eight other people have been brought up on federal charges in the area for their roles in selling bogus time-share deals that bilked \$30 million from more than 22,000 victims across North America and Puerto Rico.

According to court documents, automated calls from a company Transcontinental hired told consumers their vehicle's factory warranty would expire or soon lapse, then transferred people to Transcontinental telemarketers who falsely said they were staffing the "Warranty Service Center." But Transcontinental had no affiliation with automakers and no ability to extend or reinstate the manufacturer's warranty. Instead, they sold third-party "vehicle service contracts."

Where Transcontinental went wrong, Wigginton has said, is that it led people to believe the calls were on behalf of automakers and used a fictitious name in dealings with consumers. The company also suggested it was capable of extending or reinstating warranties and that the product being sold was an actual warranty instead of a service contract, which often includes a waiting period for the repair and allows repair shops to use replacement parts from junkyards.

"These businessmen learned the consequences of operating a scam on American consumers," after ultimately selling more than 15,000 questioned warranty contracts, Wigginton said. "This sentence should send a message loud and clear to other businessmen 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."



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