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SOUTHERN DISTRICT of ILLINOIS

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UPCOMING EVENTS:

Sentencing Hearing for Christopher D. Cowart set for October 31, 2011, at 1 p.m. in the Courtroom of Judge G. Patrick Murphy.

Sentencing Hearing for Cris D. Sagnelli set for October 31, 2011, at 1 p.m. in the Courtroom of Judge G. Patrick Murphy.

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UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF ILLINOIS

UPDATE ON TRANSCONTINENTAL WARRANTY CASE

Re: *United States v. Christopher D. Cowart and Cris D. Sagnelli*, Case Number 10-30199-GPM

The United States Department of Justice believes it is important to keep victims of federal crimes informed of court proceedings. This notice provides information about the above-referenced criminal case.

Since there are a very large number of victims in this prosecution, the government has asked the Court to designate this case as a "Multiple Crime Victim" case under the provisions of 18 U.S.C. §3771(d)(2). Accordingly, the principal means of communicating and consulting with the investigators and the government lawyers in this case will be through this web site and by sending an email to us at USAILS.VW_ILS@USDOJ.GOV. Please provide your full name, mailing address, telephone number, and email address.

United States v. Christopher D. Coward and Cris D. Sagnelli

AUTO WARRANTY" TELEMARKETERS PLEAD GUILTY

CHRISTOPHER D. COWART, 49, of Ft. Lauderdale, Florida, and CRIS D. SAGNELLI, 45, of Boca Raton, Florida, pleaded guilty on December 13, 2010 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. COWART was the President and SAGNELLI the Vice President of the company.

The Criminal Information alleges 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 alleges 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 alleges that consumers "were inundated by a tsunami of unsolicited and unwanted calls," that "the calls were relentless and the

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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.

Defendants each pleaded guilty to a single count charging them with a violation of Title 18, United States Code, Section 1342. That statute prohibits the use of a fictitious name in connection with a mail fraud scheme. It carries a penalty of up to five years in prison, a fine of \$250,000, and a term of supervised release not to exceed 3 years. Since the offense involved telemarketing, the defendants are subject to an additional term of incarceration of five years under the SCAMS Act, Title 18, United States Code, Section 2326(1).

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. 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.

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