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ATTORNEY SENTENCED IN BANK FRAUD CASE

Real estate attorney overdraws trust account funds in excess of \$500,000

Lafayette, Louisiana . . . JOSEPH C. KOSAREK, age 38, a resident of New Orleans, was sentenced this week by United States District Judge Richard T. Haik, Sr., to 14 months in a federal prison and ordered to pay \$371,693.11 in restitution for misuse of funds held in a client trust account at Bank of Abbeville in Abbeville, Louisiana, United States Attorney Donald W. Washington announced.

KOSAREK plead guilty October 31, 2007, to a federal bill of information, charging KOSAREK with one count of making false statements to a bank, and was sentenced May 29, 2008. In addition to the 14-month sentence imposed by Chief Judge Haik, KOSAREK will be on supervised release for five years after serving his prison sentence. KOSAREK has voluntarily surrendered his license to practice law.

KOSAREK, an attorney who specialized in real estate closings, maintained a Lawyers' Trust Account at Bank of Abbeville, which he used in his law practice to close real estate transactions. The deposits into this account were client funds and deposits made by financial institutions to fund real estate closings. Although this trust account was to be used as a clearinghouse for real estate transactions and other legal related expenses, the defendant began using the funds maintained in the trust account for his own

personal use.

In November and December of 2003, his trust account became overdrawn in an amount exceeding \$500,000. Because the defendant's trust account remained overdrawn in November and in the early part of December, officials with the Bank of Abbeville requested a meeting with the defendant. During a meeting with bank officials in December 2003, the defendant explained to the bank officials that his overdrawn account was the result of a paperwork error. He assured the bank that the error would be corrected and that a deposit would be arriving soon to alleviate the overdraft status. The defendant made this statement so that the bank would continue to honor checks drawn against his trust account. At the time the defendant made this statement to the bank officials, he knew that it was false and he knew that he would not be able to rectify the overdraft status, since he had been writing checks drawn on the trust account for his personal use.

U. S. Attorney Donald Washington stated: "Lawyers must do all they can to police the legal profession before those with law licenses harm a client or other member of the public. This office will vigorously prosecute those who use the rights and privileges of a license to practice law to violate the law."

Sentencing in federal court is determined by the discretion of federal judges and the governing statute. Parole has been abolished in the federal system.

This case was investigated by the Federal Bureau of Investigation and was prosecuted by Assistant U.S. Attorney Kelly P. Uebinger.

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