



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE

01/09/06

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

MASTERMIND OF \$4 MILLION LOAN FRAUD SCHEME PLEADS GUILTY

ATLANTA, GA -- The man behind over \$4 million in fraudulent loans pleaded guilty in federal court today. BEAU S. YOON, a/k/a "Bo Yoon," 35, of Atlanta, Georgia, admitted that he obtained dozens of small business loans for members of the Atlanta Korean community by inventing fake companies and submitting false tax returns and bogus invoices to the banks in an effort to qualify his "clients" for loans they might not otherwise have been able to obtain. In exchange for his efforts, YOON received an 8-10% "cut" of each loan.

"Language and cultural barriers have often made navigating the American banking system more difficult for recent immigrants. This case highlights how unscrupulous individuals can exploit both the lenders and the borrowers for their own financial gain," said United States Attorney David E. Nahmias. "This fraud came to the attention of the FBI with the assistance of the victims, and federal agents quickly determined that it was no small scheme. By word of mouth, the defendants diverted large amounts of money that was supposedly going into legitimate community businesses. These types of schemes take money away from hard-working citizens in the community who are trying to establish their own businesses."

United States District Court Judge Julie E. Carnes accepted YOON's plea to seven counts of loan fraud. YOON has admitted responsibility for over \$4 million in fraudulent loans and could be sentenced to up to 30 years in prison for each count. YOON's sentencing date is expected to be set for sometime this spring.

YOON was indicted along with 20 other defendants on March 1, 2005, in a 92-count indictment. YOON and his "clients" targeted BB&T and SouthTrust Bank (now part of Wachovia) for all of their loans. The indictment charged that from May of 2002 through June of 2003, the defendants obtained small business loans and lines of credit by means of materially false and fraudulent pretenses, representations and promises, such as false employment, income, and business and asset ownership information.

With YOON and at his direction, the 20 defendants generated false and fraudulent tax returns, invoices for capital goods purchases, and other claims of asset and business

ownership in support of the false borrower qualifying information and falsely represented that they intended the proceeds of the requested loans and lines of credit to be applied to the businesses that they supposedly owned and operated. The indictment also charges that in making false statements, the defendants knowingly misrepresented their incomes and capital holdings and the nature and existence of the small businesses for which the defendants were applying for loans and lines of credit. The victim banks lost approximately \$4.5 million in the loan fraud scheme.

Most of YOON's co-defendants have already pleaded guilty to their roles in the fraud schemes. However, several remain fugitives from justice.

This case is being investigated by Special Agents from the Federal Bureau of Investigation.

Assistant United States Attorney Robert C.I. McBurney is prosecuting the case.

For further information please contact United States Attorney Nahmias (pronounced NAH-me-us), or Yonette Sam-Buchanan, Chief, Terrorism, Violent and Organized Crime Unit, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.usdoj.gov/usao/gan/>.