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FOR IMMEDIATE RELEASE**

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**PROSECUTION AND DEFENSE REACH AGREEMENT  
TO RESOLVE LAST THREE CRIMINAL CHARGES  
AGAINST NATHAN A. CHAPMAN, JR.**

BALTIMORE, Maryland – Allen F. Loucks, United States Attorney for the District of Maryland, announced that his Office has reached an agreement with attorneys for Nathan A. Chapman, Jr., age 47,, to resolve the last three criminal charges pending against him.

At the start of Chapman’s trial last summer, U.S. District Court Judge William Quarles severed three counts (Counts 31-33) from the second superseding indictment for separate trial. Those counts charged Chapman with bank fraud in connection with the purchase of his former residence at 13125 Brighton Dam Road in Clarksville, Maryland in July 1999, and with engaging in monetary transactions with funds derived from unlawful activity arising out of Chapman’s transfer of his interest in the proceeds resulting from the sale of that residence to his wife Valerie shortly after he was originally indicted on June 25, 2003. A related forfeiture claim sought to forfeit Chapman’s interest in any proceeds resulting from or involved in these transactions. These three

counts and the forfeiture claim were scheduled for a separate trial beginning today.

This morning, at a hearing before Judge William Quarles, the parties submitted to the Court a Deferred Prosecution Agreement whereby Chapman agreed to pay the government \$215,000 in settlement of the government's forfeiture claims against a house at 6017 Misty Arch Run in Columbia, Maryland purchased by Chapman's wife with proceeds from the Brighton Dam Road sale, along with funds held in two bank accounts and a Certificate of Deposit that also included proceeds of the Brighton Dam Road house sale. Under the Agreement, Chapman further admitted that he was guilty of the three charged offenses and signed a factual stipulation acknowledging the facts involved in each count.

If Chapman pays the amount specified by August 16, 2005, the government will then move to dismiss the three remaining criminal charges and its forfeiture claim with prejudice. If Chapman fails to pay the specified amount, then the Government will move to re-set the three remaining counts and the forfeiture claim for trial. Chapman agreed that if he failed to comply with the terms of the Deferred Prosecution Agreement, his admissions could be introduced against him at his subsequent trial. Judge Quarles agreed to postpone the currently scheduled trial date until it is determined whether Chapman has complied with the terms of the Deferred Prosecution Agreement.

The case is a result of an investigation by the Federal Bureau of Investigation, the Internal Revenue Service, and the United States Attorney's Office. The case is being prosecuted by Assistant U.S. Attorneys Jefferson M. Gray and Craig M. Wolff.