



**U.S. Department of Justice**

*United States Attorney  
District of Maryland*

*Allen F. Loucks  
United States Attorney*

*Vickie E. LeDuc  
Public Information Officer*

*36 South Charles Street  
Fourth Floor  
Baltimore, Maryland 21201*

*410-209-4800  
TTY/TDD: 410-962-4462  
410-209-4885  
FAX 410-962-3091  
Vickie.LeDuc@usdoj.gov*

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FOR IMMEDIATE RELEASE**

**FOR FURTHER  
INFORMATION CONTACT  
VICKIE E. LEDUC, AUSA  
(410) 209-4885**

**OHIO MAN PLEADS GUILTY TO THEFT FROM  
BALTIMORE CITY AND OTHER MUNICIPALITIES**

**BALTIMORE**, Maryland - Allen F. Loucks, United States Attorney for the District of Maryland, announces that today James Leroy Shorts, age 34, of Shaker Heights, Ohio pleaded guilty before U.S. District Court Judge William Quarles to mail and wire fraud in connection with a scheme to defraud Baltimore City, and similar schemes to defraud municipalities located in the Northern and Southern Districts of Ohio, the Southern District of Indiana, and the Eastern and Southern Districts of California.

According to the agreed statement of facts presented to the court as part of the plea agreement, the City of Baltimore issued checks to vendors for work performed on behalf of Baltimore. Consistent with the warning on the back of the check "void after 180 days from check date," the checks were not honored after 180 days from the date of issuance. For checks not negotiated within the 180-day period (known as "stale-dated checks"), the original vendor to which the check was made payable, or a third-party representing the original vendor, could request a replacement check. A third-party requesting a replacement check had to submit a power of attorney signed by the original vendor. Prior to the issuance of a replacement check, the Baltimore City

Bureau of Treasury and Management (BTM) would confirm that the original check had not been negotiated. Upon request, BTM provided a requesting party with information regarding stale-dated checks including the vendor's name, check number, date of issuance and check amount.

According to the statement of facts, on numerous occasions in 2003 and 2004, Shorts sent letters to BTM signed by "Sean Taylor" who purported to work for "James Taylor & Associates" requesting the issuance of replacement checks. Shorts attached a forged limited power of attorney to the letters falsely asserting that the original vendors had appointed "James Taylor & Associates" to "seek recovery of the undistributed, unclaimed, or undelivered tenders of funds." As a result of these letters and forged powers of attorney, the City of Baltimore mailed replacement checks to Shorts causing the City of Baltimore to lose approximately \$160,000. Additionally, through the same or similar scheme, Shorts deposited 38 checks totaling approximately \$370,000 into bank accounts opened in Ohio which involved municipalities located in the Northern and Southern Districts of Ohio, the Southern District of Indiana, and the Eastern and Southern Districts of California. The total loss associated with his schemes is \$531,463.04.

The maximum penalty for mail fraud and wire fraud is 20 years in prison, three years of supervised release and a fine. The maximum penalty for money laundering is 10 years in prison, three years of supervised release and a fine. The defendant is scheduled for sentencing on August 12, 2005 at 9:30 a.m.

The criminal charges in this indictment are the result of a joint investigation by the Federal Bureau of Investigation and the United States Attorney's Office. The case is being prosecuted by Assistant U.S. Attorney Steven H. Levin.