



U.S. Department of Justice

United States Attorney

Eastern District of Pennsylvania

615 Chestnut Street

Suite 1250

Philadelphia, Pennsylvania 19106-4476

(215) 861-8200

FOR IMMEDIATE RELEASE

November 3, 2004

U.S. ATTORNEY ANNOUNCES SUPERSEDING INDICTMENT IN PHILADELPHIA CORRUPTION CASE

PHILADELPHIA – Patrick L. Meehan, United States Attorney for the Eastern District of Pennsylvania, today announced the unsealing of a superseding indictment in the Philadelphia corruption case in which attorney Ronald A. White and former City Treasurer Corey Kemp are among the defendants. The original 56-count indictment was returned on June 29, 2004. The superseding indictment, returned by a federal grand jury on November 2, 2004, adds charges against White and Kemp, and includes new factual allegations.

1. There are three new charges against Kemp of filing false tax returns, in addition to the similar charge presented in the original indictment regarding the 2002 tax year. The new charges (Counts 60, 61, and 63) allege that in 2000 and 2001 Kemp deducted \$8,000 each year in nonexistent charitable contributions; and that in 2003 he failed to report tens of thousands of dollars of payments he obtained from fraudulent schemes charged in the indictment and from other sources.

2. The superseding indictment includes four new counts (Counts 41-44) charging that Ronald A. White made false statements to Commerce Bank in order to obtain loans totaling \$1,170,000 in October 2003 to purchase a house in Naples, Florida. The indictment states that White falsely represented that his \$130,000 down payment for the \$1.3 million house came from savings, when in fact White did not have available cash at the time and borrowed the down payment from others.

In a related allegation, the foremost charge in the indictment, alleging that White and officials of Commerce Bank/Pennsylvania, N.A., along with others, engaged in a conspiracy to defraud the citizens of Philadelphia of the honest services of Kemp, has been amended to add the assertion that one of the means by which Commerce compensated White for his assistance in advocating for Commerce with Kemp was by extending loans to White and his associates without consideration of ordinary underwriting requirements. Count One, ¶¶ 65-94. With respect to the loans for the Florida house, the indictment alleges that defendants Glenn K. Holck and Stephen M. Umbrell of Commerce Bank approved the loans without ordinary underwriting, which would have sought to verify the source of the down payment. The indictment states that

November 3, 2004

Page 2

Holck and Umbrell did not verify the source of White's funds even though White's accounts, in which the borrowed money was deposited, were located at Commerce Bank itself.

The indictment also refers to other loans for White's associates which Holck and Umbrell approved without ordinary underwriting, including a \$20,385.84 car lease for defendant Janice Renee Knight (after Knight's application was rejected by another lender); a \$15,000 line of credit for an associate who wished to start a pretzel cart concession; and a \$150,000 line of credit for a person whom White expected to make an official recommendation to award a potentially lucrative government contract to a firm affiliated with White.

3. The revised conspiracy charge (at ¶¶ 113-117) adds that White directed Kemp to make decisions favoring the interests of UBS Financial Services, Inc., which made charitable contributions and other payments favoring White's interests. UBS is not charged with any wrongdoing.

4. The conspiracy charge includes a new paragraph 180 which explains that, after making a loan on favorable terms to the Church of defendants Corey Kemp and Francis D. McCracken, Commerce officer Umbrell on October 7, 2003 agreed to modify the loan to allow Kemp and McCracken to obtain advances of 80% of each subsequent request for funds, even though Kemp and McCracken had not provided all of the information that had been ostensibly required by Commerce Bank at the June 25, 2003 closing of the loan and despite the fact that, in August 2003, a Commerce Bank inspector determined that a prior request for funds was based on some of the same receipts that had been submitted by Kemp and McCracken to support a \$115,000 advance at the June 25, 2003 closing.

5. Paragraph 1(i) of the conspiracy charge has been amended to add additional detail regarding Ronald A. White's efforts to develop business on behalf of his paramour, Janice Renee Knight.

6. Finally, the superseding indictment includes a "notice of additional factors" which alleges facts which will be pertinent in sentencing calculations to be made in the event of convictions. This notice is presented in light of the Supreme Court's June 24, 2004 decision in Blakely v. Washington.

**UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT, PENNSYLVANIA
Suite 1250, 615 Chestnut Street
Philadelphia, PA 19106**

**Contact: RICH MANIERI
Public Affairs
215-861-8525**

COPIES OF NEWS MEMOS AND RELATED DOCUMENTS CAN ALSO BE FOUND AT
[HTTP://WWW.USDOJ.GOV/USAO/PAE](http://www.usdoj.gov/usao/pae)