



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

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FEDERAL FUGITIVE PLEADS GUILTY TO BANKRUPTCY FRAUD

United States Attorney Johnny Sutton announced today that **William Edmiston** pled guilty to Bankruptcy Fraud yesterday before United States Magistrate Judge Kennard Foster.

According to the plea agreement, **William Edmiston** and his business partner **David Porras** declared bankruptcy in 1995. At that time, Edmiston listed tax liability of approximately \$25,000,000. On his bankruptcy petition he also listed liabilities owed to other creditors in the amount of \$3,000,000. In doing so, he failed to list approximately \$3,000,000 in assets including his and Porras's interior decorating business. The plea agreement further states that Edmiston lied on his bankruptcy forms claiming his income was 10% of what he actually earned from 1993 to 1995.

Edmiston and Porras, as business partners, carried out the bankruptcy fraud scheme by transferring their interior decorating business, condominium remodeling business and numerous pieces of real estate, accounts receivables and vehicles to their co-conspirator, Lucille Christie Blakley's, trust bank accounts. These trust bank accounts were a sham to hide the business partners' assets and income. By carrying out this scheme, Edmiston and Porras' s bankruptcy fraud totaled approximately \$65,000,000.

Edmiston, Porras and Blakley also conspired and stole from Porras's aunt and Blakley's sister, Audrey Hays, approximately \$420,000, leaving her destitute. Edmiston was Hays' court-appointed guardian.

Edmiston was a fugitive from justice for five years in the Republic of Mexico until the Mexican Government expelled him in June 2003. He faces up to five years in federal prison and will be sentenced at a later date. David Porras and Lucille Blakley were convicted in 1998. Porras was sentenced to eight years imprisonment while Blakley, who was 87 years old at the time, was sentenced to three years probation.

This case was investigated by the Internal Revenue Service Criminal Investigation. Assistant United States Attorney Mark Roomberg prosecuted this case on behalf of the government.

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