



Department of Defense
Office of the Inspector General

Information Release

INFORMATION RELEASE

February 18, 2005

Former Owner of Car Business in Grafton, Virginia, is Sentenced on Conspiracy to Commit Bank Fraud and Concealment in Bankruptcy Charges

The Office of the Inspector General (OIG), Department of Defense (DoD), announced today that on February 18, 2005, William David Harrell, Sr., former owner of a used car business called "Victory Motors," operating in two locations, one located in the Grafton area of York County and the other operated in the Carrollton area of Isle of Wight County, VA, was sentenced today in U.S. District Court for the Eastern District of Virginia, Norfolk (Newport News Division), VA.

Harrell was sentenced to five years probation. He was ordered to pay restitution in the amount of \$116,624. Of that amount, \$36,664 is to be paid to the U.S. Bankruptcy Trustee, and \$79,959 is to be paid to BB&T Bank. (Harrell already paid the \$36,664 to the trustee). He was ordered to pay a \$100 special assessment fee per count, for a total of \$200. Harrell previously pled guilty on July 21, 2004, to one count of Conspiracy to Commit Bank Fraud (18 U.S.C. 371) and one count of Concealment in Bankruptcy (18 U.S.C. 152(7)).

Harrell owned and operated a used car business known as "Victory Motors." The business, which is no longer in operation, was incorporated under the name of Commercial Enterprises. An investigation disclosed that in late 1997, Harrell and Donald H. Sumner, a former sales manager, Victory Motors, conspired to "kite checks" between the business' financial accounts with different financial institutions. The "check kiting" resulted in a loss of approximately \$79,000 to one of the Federally insured financial institutions. During the course of the investigation, it was determined that Harrell had willfully concealed assets from the U.S. Bankruptcy Trustee, when he filed for personal bankruptcy protection.

The Defense Criminal Investigative Service (the criminal investigative arm of the OIG, DoD) and the Federal Bureau of Investigation (FBI) conducted this investigation. Assistant U.S. Attorney Robert Bradenham, U.S. Attorney's Office, Norfolk (Newport News Division), VA, handled the prosecution of this case.

For further information, contact Joseph A. McMillan, Special Agent in Charge, Mid-Atlantic Field Office at (703) 604-8411.

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