



Department of Justice

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FORMER STATE REPRESENTATIVE RON SAILOR JR. PLEADS GUILTY TO ADDITIONAL FEDERAL CHARGES

Sailor Secretly Stole From His Church While Cooperating With FBI

Atlanta, GA - WALTER RONNIE ("RON") SAILOR, JR., 33, of Norcross, pleaded guilty today in federal district court to a superseding information charging him with wire fraud in connection with a fraudulently obtained loan, as well as laundering and attempting to launder what he believed to be \$375,000 in drug proceeds. After SAILOR's initial guilty plea to the drug money laundering charges on March 18, 2008, the government learned that SAILOR had secretly obtained a \$250,000 loan utilizing as collateral property belonging to the church that he pastored. SAILOR served as the Representative of District 93 (parts of DeKalb and Rockdale Counties) in the Georgia General Assembly until he resigned after his initial guilty plea.

"Former Representative Sailor's actions are both disturbing and reprehensible," said United States Attorney David E. Nahmias. "After his efforts to launder drug money were thwarted by the FBI and he agreed to assist the government in an unrelated investigation, Sailor made the decision to commit a serious new crime by concocting a scheme to defraud the church where he pastored and a bank. As a result of his continued criminal conduct, Sailor now faces a much longer prison sentence than originally anticipated."

FBI Atlanta Special Agent in Charge Greg Jones said, "The decision of Mr. Sailor to continue in engaging in criminal conduct and to victimize those that trusted him was an unfortunate one to say the least. The FBI, along with the U.S. Attorney's Office, responded to these new developments accordingly. The plea today of Mr. Sailor reaffirms our priority to matters such as this that impact the public trust."

According to United States Attorney Nahmias and the information presented in court: On March 18, 2008, SAILOR entered a guilty plea in federal court to one count of drug money laundering. This guilty plea was the result of a series of meetings between SAILOR and an undercover law enforcement officer posing as a drug dealer who was seeking to launder proceeds generated from the sale and distribution of cocaine. Prior to the meetings, SAILOR had indicated that he was looking for a drug dealer who had the ability to provide

him with \$300,000 in drug proceeds to launder in return for a fee. As a result of his interest in laundering money, the FBI arranged an introduction to an undercover law enforcement officer posing as a drug dealer with drug proceeds that he was seeking to have laundered.

Between November 10, 2007 and December 19, 2007, SAILOR met three times with "Jay," the undercover officer. On each occasion, Jay provided SAILOR with what was represented to be drug proceeds. On November 10, 2007, and November 30, 2007, SAILOR met with Jay and was provided with \$25,000 and \$50,000 in cash, respectively. Several days after each of these transactions, SAILOR returned the purported drug proceeds to Jay, less his fee for laundering the funds, in the form of either a cashier's check or checks drawn on business accounts and signed by a third-party. These checks falsely purported to be payment for contracting work done at a church or for business loans.

On December 19, 2007, Jay and SAILOR met again, and Jay provided SAILOR with \$300,000 cash in purported drug proceeds to be laundered. After receiving the \$300,000, SAILOR was detained by the FBI. SAILOR admitted to the agents that he had laundered the \$25,000 and the \$50,000 in what he believed was drug proceeds, and that he had intended to launder the \$300,000 that was given to him by Jay.

SAILOR soon agreed to cooperate with the government in an unrelated investigation. However, unbeknownst to the government, in January 2008, while cooperating with the government, SAILOR devised a scheme to obtain a \$250,000 loan for his personal use, offering as collateral property belonging to the church he pastored, the Greater New Light Missionary Baptist Church, on Campbellton Road in Southwest Atlanta. At that time, there were no encumbrances on the property, and SAILOR did not have permission from the church to use the property as collateral. Nevertheless, sometime in January or February 2008, he began the process of obtaining a \$250,000 loan from the Georgia Business Capital Bank, using the church's property as collateral.

SAILOR took a number of steps to make it appear as if he were authorized to encumber the church's property and to obtain the loan. On February 1, 2008, SAILOR caused the Church's Corporation Annual Registration to be changed to reflect that he was the church's Chief Executive Officer. He then caused the Corporation Annual Registration to be registered with the Georgia Secretary of State. On February 6, 2008, SAILOR signed a document entitled "Resolution of the Board of Directors," which purported to be a duly enacted resolution by the church authorizing the church to borrow money against the property and authorizing SAILOR to bind the church to such a loan. In addition to signing his own name, SAILOR also forged the signature of the church's secretary on the document. That same day, SAILOR caused false church bylaws to be created, forged the signature of the church's secretary on those false bylaws, and caused the bylaws to be embossed with a fraudulent church seal. The next day, SAILOR caused the fraudulent bylaws and the fraudulent resolution to be presented to Georgia Business Capital Bank in order to obtain the loan.

On March 11, 2008, the bank lent SAILOR \$250,000 using the church's property as collateral. After closing costs of \$32,415.52 were deducted, SAILOR received \$217,584.48 in proceeds from the loan. That same day, he opened an account at the Capitol City Bank & Trust, in the name of Greater New Light Baptist Church, in order to access the loan proceeds and distribute them to pay personal expenses. After the account was opened, \$217,584.48 in loan proceeds were wired into the Capitol City account. Between March 12, 2008, and March 27, 2008, SAILOR used \$141,386.72 from this account to pay various personal expenses. The remaining funds, \$76,197.76, went unspent and were ultimately returned to the lender by SAILOR after his scheme was uncovered.

The government learned of the fraudulent loan shortly after SAILOR pleaded guilty to the drug money laundering charge on March 18, 2008. He had not disclosed this conduct to the government, despite his pre-plea proffer agreement to cooperate fully and truthfully.

SAILOR was charged today in a superseding Criminal Information with the original charge--one felony count of knowingly conducting and attempting to conduct a financial transaction involving \$370,000 in United States Currency represented by a law enforcement officer to be the proceeds of the sale and distribution of a controlled substance, with the intent to conceal and disguise the source of those funds--and two new counts of wire fraud based upon his knowingly and willfully devising a scheme to defraud the Greater New Light Missionary Baptist Church and the Georgia Business Capital. SAILOR pleaded guilty to all three charges today.

SAILOR could receive a maximum sentence of 80 years in prison and a fine of up to \$2,250,000. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding but provide appropriate sentencing ranges for most offenders. SAILOR has also agreed to forfeit all of the property involved and traceable to his crimes, at least \$181,802.24, and to make restitution to the victims of his crimes.

Sentencing is scheduled for September 16, 2008, at 2 p.m., before United States District Judge Camp.

This case is being investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorneys Bill Thomas and Elizabeth M. Hathaway are prosecuting the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.

