



U.S. Department of Justice

United States Attorney
District of Maryland

Rod J. Rosenstein
United States Attorney

Vickie E. LeDuc
Public Information Officer

36 S. Charles Street
Fourth Floor
Baltimore, Maryland 21201-2692

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

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CONTACT AUSA VICKIE E. LEDUC or
MARCIA MURPHY at (410) 209-4885

**POSTAL SERVICE EMPLOYEE PLEADS GUILTY TO FILING FRIVOLOUS
BANKRUPTCY PROCEEDINGS AGAINST HIS SUPERVISOR**

BALTIMORE, Maryland - Gregory I. Armstrong, age 43, of Severn, Maryland, pled guilty today to bankruptcy fraud arising from Armstrong's filings of involuntary bankruptcy petitions against his supervisor, announced United States Attorney for the District of Maryland Rod J. Rosenstein.

According to the plea agreement, Armstrong was a Postal Service employee at the Capitol Heights, Maryland distribution center, sorting and delivering mail. On August 5, 2004, Armstrong's supervisor issued a letter to Armstrong documenting 11 unscheduled absences and warning that future deficiencies will result in more severe disciplinary action. Armstrong signed the letter on August 5, 2004, but continued to maintain unscheduled absences. On September 15, 2004, the supervisor issued a Notice of Suspension for seven days, which Armstrong refused to sign.

Instead of filing a grievance concerning the letter of warning or Notice of Suspension, on August 12, 2004, Armstrong sent a letter to the supervisor's home. The letter advised the supervisor that the name "Gregory Ignatius Armstrong" was common law copyright property and warned the supervisor that using his name again without prior consent would constitute unauthorized use.

The supervisor never entered into a contract, written or oral, with Armstrong. On September 16, 2004, however, Armstrong issued a "Notice of Acceptance of Contract" in which he claimed to be a self-ruling sovereign whose power to contract is unlimited. Armstrong claimed that the supervisor had agreed to compensate him \$1,000,000 for issuing the previous day's Notice of Suspension without Armstrong's permission. He falsely asserted that the supervisor had agreed that if the supervisor did not deliver the funds within 10 days, the supervisor would be subject to involuntary bankruptcy proceedings. The supervisor did not pay the \$1,000,000 demanded by Armstrong.

From September 30, 2004 to December 3, 2005, Armstrong sent various documents to the supervisor concerning notices of default and entry of default judgment for \$1,000,000 against the supervisor. The supervisor ignored the legally meaningless documents, which did not create any contract or agreement between the supervisor and Armstrong.

On March 29, 2005, Armstrong filed an involuntary petition in the bankruptcy court in order to damage the supervisor's credit rating and to cause other personal financial harm. The petition falsely stated that Armstrong was eligible to file an involuntary bankruptcy petition against the supervisor, and that the supervisor was not paying Armstrong's debts as they came due. On April 4, 2005, the bankruptcy court dismissed the involuntary bankruptcy petition for Armstrong's failure to pay the filing fee and sign the petition. Armstrong filed a second involuntary petition on April 12 containing the same false representations, and the bankruptcy court dismissed the filing the next day for failure to pay the filing fee.

On April 26, 2005, Armstrong filed a third involuntary petition containing the same false representations and paid the proper filing fees. The case proceeded forward. The supervisor's mortgage company became aware of the bankruptcy and took steps to foreclose upon his home. With the assistance of counsel, the supervisor was eventually able to advise the mortgage company of the fraudulent nature of the bankruptcy proceedings and to prevent initiation of foreclosure proceedings. After conducting hearings, the bankruptcy court dismissed the third petition and referred the matter to the United States Attorney for prosecution.

Armstrong faces a maximum sentence of 5 years in prison followed by 3 years of supervised release and a \$250,000 fine. U.S. District Judge Peter J. Messitte scheduled sentencing for July 19, 2006 at 9:30 a.m.

United States Attorney Rod J. Rosenstein praised the investigative work performed by the U.S. Postal Service - Office of Inspector General and the U.S. Postal Inspection Service. Mr. Rosenstein thanked Assistant U.S. Attorney Stuart A. Berman, who is prosecuting the case, and Assistant U.S. Attorney Thomas Corcoran, who represented the supervisor in the bankruptcy proceedings.