



Department of Justice

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LAWRENCEVILLE MAN SENTENCED TO PRISON FOR \$220,000 BANK FRAUD

DEFENDANT DELDERICO LEE USED FORGED BANKRUPTCY ORDER TO OBTAIN LINE OF CREDIT FROM VICTIM BANK

Atlanta, GA - DELDERICO L. LEE, 31, of Lawrenceville, Georgia, was sentenced today by United States District Judge Thomas W. Thrash, Jr. on charges of bank fraud relating to his abuse of a line of credit to steal more than \$220,000 from Bank One, N.A., now known as JP Morgan Chase & Co, a federally insured financial institution.

"Court orders must be respected. Far from showing such respect, this defendant, knowing he had been declared bankrupt by a federal judge, manufactured a forged bankruptcy order to obtain a line of credit from a bank," said United States Attorney David E. Nahmias. "The forged order falsely represented that the defendant's bankruptcy petition and the judge's subsequent discharge order had been filed in error, which, when incorporated in a loan application, led the victim bank to provide a line of credit the defendant abused to steal more than \$220,000."

LEE was sentenced to twenty months in prison to be followed by five years of supervised release. He was also ordered to pay \$220,488.25 in restitution to JP Morgan Chase. LEE was convicted of these charges on February 3, 2006 after his entry of a guilty plea before Judge Thrash.

According to United States Attorney Nahmias and the information presented in court:

On March 31, 1998, LEE filed a voluntary petition for bankruptcy under Chapter 7 of the United States Bankruptcy Code. LEE's bankruptcy petition was assigned to Judge Stacy W. Cotton of the United States Bankruptcy Court for the Northern District of Georgia, who declared LEE bankrupt and entered a court order to that effect on September 2, 1998.

On April 27, 2001, LEE applied for a \$62,000 home equity line of credit from Bank One. In completing the line of credit application, LEE falsely claimed that he not been declared bankrupt within the last seven years. In addition, LEE tendered a forged bankruptcy

order, purportedly executed and entered by Judge Cotton, which falsely represented that LEE's voluntary bankruptcy petition and Judge Cotton's subsequent discharge order had been filed in error. Bank One relied upon defendant LEE's misrepresentations regarding his bankruptcy status in approving LEE's credit application and extending him a \$62,000 line of credit.

Between August 2002 and March 2003, LEE made maximum draws on the credit line, followed by payment with personal checks drawn on accounts LEE had either closed or that plainly lacked sufficient funds for the check to clear. LEE's check kiting scheme enabled him to steal more than \$220,000 -- in \$62,000 increments -- from Bank One.

In addition to LEE's scheme to defraud Bank One, in April 2004 LEE fraudulently attempted to obtain a \$25,000 credit account from First Citizens Bank, N.A., another federally insured institution, as well as, in March 2002, a \$66,000 mortgage from 1st Georgia Mortgage Funding. LEE also supplied the forged bankruptcy order to 1st Georgia Mortgage Funding in connection with his mortgage application.

This case was investigated by Special Agents of the Federal Bureau of Investigation and prosecuted by Assistant United States Attorney Paul Monnin.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or F. Gentry Shelnett, Chief of the Criminal Division, 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.