



U.S. Department of Justice

Office of the United States Trustee

Executive Office

Office of Research and Planning

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PRESS RELEASE

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WOMAN SENTENCED TO 24 MONTHS IN PRISON, ORDERED TO PAY \$58,012 IN RESTITUTION, FOR BANKRUPTCY FRAUD AND BANK FRAUD

DALLAS--Musu Cuch Ketter, formerly of Arlington, Texas, was sentenced yesterday to 24 months in prison, and ordered to pay \$58,012 in restitution, for bankruptcy fraud and bank fraud, United States Trustee William Neary announced today. The United States Trustee Program is a component of the Justice Department that supervises the administration of bankruptcy cases nationwide.

Ketter pleaded guilty on May 21, 1998, to a two-count indictment charging her with conducting a fraudulent scheme involving bankruptcy cases in violation of 18 USC 157 and engaging in bank fraud in violation of 18 USC 1334.

Ketter, conducting business under the name DFW Home Consultants Inc., obtained Dallas and Tarrant County home foreclosure lists and contacted persons whose homes were facing foreclosure. Ketter promised clients that, for an initial fee of \$700 to \$850, she would obtain refinancing for the delinquent mortgages.

Ketter knew she did not have the money or resources to provide refinancing for her clients. When home foreclosure became imminent, Ketter instructed her clients to file for bankruptcy, which temporarily halted foreclosure proceedings. However, because no further papers were filed in the bankruptcy cases, the cases were dismissed and foreclosure proceedings went forward. The bankruptcy filings were added to the clients' credit histories, injuring their credit ratings and diminishing the possibility of finding future refinancing.

It is estimated that 30 bankruptcy cases were filed in the Dallas and Fort Worth divisions of the Northern District of Texas as a result of Ketter's actions, and that all of these cases were dismissed, resulting in the foreclosure of the clients' homes.

The bank fraud charges stemmed from Ketter's attempt to open a business checking account using a counterfeit check for \$80,216.

"I'm very gratified by the actions taken by United States Attorney Paul Coggins and the Federal Bureau of Investigation in this case," United States Trustee Neary stated. "These measures send a strong message to those who would use the bankruptcy system to prey upon financially distressed families."

Ketter's Texas business operations were located in Dallas, Houston, and Tyler. The United States Trustee made a criminal referral to the United States Attorney for the Northern District of Texas in May 1996, and assisted in the investigation of the case. The United States Trustee's Office in Houston, headed by United States Trustee Richard Simmons, also assisted in the investigation of Ketter by providing valuable information about her activities in south Texas.

Neary is the United States Trustee for the Northern and Eastern Districts of Texas, with offices in Dallas and Tyler. Simmons is the United States Trustee for the Southern and Western Districts of Texas, with offices in Houston, San Antonio, Austin, and Corpus Christi.

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