



U.S. Department of Justice

Executive Office for United States Trustees

Office of Research and Planning

Washington, D.C.

PRESS RELEASE

For Immediate Release
Feb. 22, 2000

**NEW MEXICO MAN PLEADS GUILTY
TO WIRE FRAUD IN CONNECTION
WITH CHAPTER 7 BANKRUPTCY CASE**

ALBUQUERQUE--Gaylen Hinkeldey, currently residing in Palm Springs, Calif., pleaded guilty today in the District Court for the District of New Mexico to one count of wire fraud in connection with his 1992 Chapter 7 bankruptcy case, United States Trustee Brenda Moody Whinery announced.

"Hinkeldey attempted to use wire communications to hide more than \$55,000 from his creditors," Whinery stated. "The bankruptcy laws make it clear that all property must be disclosed to the court, the bankruptcy trustee, and creditors. Failure to disclose can result in criminal prosecution."

When Hinkeldey filed for Chapter 7 relief in 1992, he was entitled to the proceeds of a real estate contract that provided for a balloon payment of \$55,165 to be made in March 1996. Nonetheless, he did not disclose this asset on his bankruptcy papers. The Chapter 7 bankruptcy trustee learned of the asset and informed Hinkeldey that it was property of the bankruptcy estate.

Subsequently, Hinkeldey learned that he would receive the balloon payment in July 1994. He did not tell the bankruptcy trustee of the early payment. Instead, he concealed receipt of the payment by withdrawing approximately \$33,000 of the payment from one account and redepositing most of this money in \$3,000 increments to bank accounts in his name.

To execute this scheme, Hinkeldey knowingly and intentionally transmitted and caused to be transmitted the payment by means of wire communication in interstate commerce from the Citizen's First National Bank in Storm Lake, Iowa, to Hinkeldey's personal account at First Interstate Bank in Palm Desert, Calif., in violation of 18 USC 1343.

The Albuquerque office of the United States Trustee assisted the United States Attorney in investigating this case. The United States Trustee Program is a component of the Justice Department that monitors the administration of bankruptcy cases nationwide. Whinery is the United States Trustee for Arizona and New Mexico.

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