PRESS RELEASE

Federal Deposit Insurance Corporation

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MANHATTAN LAWYER SENTENCED TO PRISON FOR OVERBILLING FDIC, RTC $1.4 MILLION

FOR IMMEDIATE RELEASE

FDIC Inspector General Gaston L. Gianni, Jr., today announced that William F. Duker, former managing partner of the Manhattan law firm of Duker & Barrett, was sentenced December 10 to a prison term of 33 months for defrauding the FDIC and the Resolution Trust Corporation (RTC) of about $1.4 million in overbillings through his law firm. Duker was also sentenced to two years supervised release and fined $7,500. His prison term begins on February 2.

Prior to being sentenced, Duker paid the U.S. government $2.58 million under a settlement agreement covering criminal restitution and civil damages. As part of the same agreement, Barrett & Gravante, LLP (the successor law firm to Duker & Barrett) paid the government another $349,000 on December 10.

This case was investigated by the Federal Bureau of Investigation with the assistance of the FDIC's Office of Inspector General. The case was prosecuted by the United States Attorney's Office for the Southern District of New York.

Duker pled guilty on August 21 to a four-count information charging him with mail fraud, false claims, and false statements and obstructing a federal audit.

Duker & Barrett was retained by the FDIC and the RTC in September 1990 to perform legal work relating to the savings and loan crisis of the 1980s. According to the charges, in November 1990 Duker began submitting bills to the FDIC and the RTC that substantially inflated the hours of work performed by the law firm's staff. The information alleged that he carried out his scheme by making handwritten notations on draft bills that directed the firm's office manager to increase the hours reported for individual attorneys, generally by one to four hours per day.

The scheme spanned 26 months, during which Duker inflated the firm's bills by about $1.4 million. During this time, Duker earned as much as $5 million annually, and received up to 80 percent of the firm's annual profits.

According to the charges, Duker ended his scheme in early 1993 after learning that the firm would soon be audited by the FDIC's and the RTC's Offices of Inspector General. Duker took steps to conceal his overbilling scheme from the auditors, including destroying some original time cards of firm attorneys and causing the firm's office manager to make false statements to an auditor.

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