



PRESS RELEASE

Federal Deposit Insurance Corporation

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TEXAS MOTORCYCLE DEALER PLEADS GUILTY TO DEFRAUDING INVESTORS WITH BOGUS FDIC ASSETS

FOR IMMEDIATE RELEASE

FDIC Inspector General Gaston L. Gianni, Jr., announced today that Danny D. Meister, the owner and operator of a motorcycle sales and automobile repair facility in Pantego, TX, has pled guilty to one count of defrauding an investor of \$360,000 with fictitious FDIC assets. Meister's company, Motor Works of Arlington, Inc., has pled guilty to two counts of swindling investors of over \$506,000 with the same scheme.

The guilty pleas were entered November 20 in U.S. District Court for the Northern District of Texas, Fort Worth, TX. This investigation was conducted by agents of the FDIC's Office of Inspector General.

The guilty pleas follow last month's 19-count indictment by a federal grand jury in Fort Worth charging that between July 1992 and August 1996, Meister and Motor Works defrauded at least 8 investors of about \$1 million by persuading them to join in investing in the purchase of property from the FDIC, when no such property existed.

Meister allegedly provided his victims with bogus joint venture agreements and fictitious documents on FDIC letterhead "securing" the victims' investments in the FDIC property. The documents described property such as late-model Mercedes Benz and BMW automobiles being offered by the FDIC at greatly discounted purchase prices, and provided confirmation to the investors that their money had been received by the FDIC. After receiving the investors' money, Meister illegally converted the funds to his personal and business use. The OIG determined that Meister and Motor Works took in about \$11.7 million from at least 16 unsuspecting investors. To avoid suspicion by his



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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victims and detection (of his scheme, Meister repaid many of the investors with funds he swindled from other investors. The victims' losses now total about \$3.1 million.

Sentencing is scheduled for March 6, 1998. Meister faces imprisonment up to ten years, a fine not to exceed \$250,000, restitution to his victims and forfeiture of property up to \$360,000. Motor Works faces on each count a fine up to \$500,000, victim restitution and forfeiture of property up to \$506,000.

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