PRESS RELEASE

Federal Deposit Insurance Corporation

Media Contact:
Patrick I. Noble (202-416-2912)

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LAWYER PLEADS GUILTY TO OVERBILLING FDIC, RTC $1.4 MILLION; LAW FIRM AGREES TO SETTLEMENT

FOR IMMEDIATE RELEASE

FDIC Inspector General Gaston L. Gianni, Jr., announced today that William F. Duker, managing partner of the Manhattan law firm Duker & Barrett, pled guilty on August 21 to charges that he, through his law firm, defrauded the FDIC and the Resolution Trust Corporation (RTC) of $1.4 million in overbillings. Duker faces a maximum sentence of up to 20 years in prison, a fine of up to $11.2 million and restitution payment.

In addition, Duker and the successor law firm to Duker & Barrett--Barrett & Gravante, LLP--entered into an agreement with the U.S. government to repay more than $2.9 million to the United States within 90 days to settle the government's potential civil claims arising from the false claims and overcharges to the FDIC and the RTC.

This case was investigated by the FDIC's Office of Inspector General and the Federal Bureau of Investigation.

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 alleges 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 is alleged to have spanned 26 months, during which Duker inflated the firm's bills by about $1.4 million. During this time, Duker earned between $1 million and $5 million annually, and received between 60 and 80 percent of the firm's annual profits. The information alleged that 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. The information also alleged that he 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.

Duker's sentencing is scheduled for November 20, 1997.

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