



PRESS RELEASE

Federal Deposit Insurance Corporation

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

TEXAS BUSINESSWOMAN, MARYLAND BUSINESSMAN CHARGED WITH CONSPIRING TO DEFRAUD THE FDIC

FOR IMMEDIATE RELEASE

Federal Deposit Insurance Corporation (FDIC) Inspector General Gaston L. Gianni, Jr., announced today that Texas businesswoman Nolanda Sue Hill and Maryland businessman Kenneth Charles White were indicted March 13 by a federal grand jury in Washington, D.C., on charges of conspiring to defraud the FDIC from 1989 to 1993 while serving as officers of Corridor Broadcasting Corporation. Corridor owned and operated television broadcast stations in the District of Columbia (Channel 50) and the Boston/Worcester, Massachusetts, area (Channel 27) from the mid-1980s to 1993. Hill held a financial interest in and was chief executive officer of Corridor, while White was Corridor's chief financial officer.

White alone was also charged with making a false statement to the FDIC in 1992.

Other charges against White and Hill include conspiring to defraud the Internal Revenue Service (IRS), and helping to prepare false federal income tax returns for Hill and Corridor. According to the indictment, in the mid-1980s Corridor borrowed \$21 million from a Texas savings and loan association, and failed to repay the loan. The S&L later failed and the loan was assumed by the FDIC.

Hill and White allegedly lied to FDIC officials about Corridor's financial condition and provided fraudulent records that hid the diversion of funds from Corridor. The indictment charges that Hill and White caused Corridor and its successor to pay for some of Hill's personal living expenses and the expenses of a company owned by Hill and another person, and to give funds to this business associate. The FDIC sold the note, which was collateralized by the assets of Corridor and the two television stations, at an auction in



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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early 1993. The case was investigated by the FDIC's Office of Inspector General, the IRS, the Federal Bureau of Investigation and the U.S. Department of Justice.

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