



PRESS RELEASE

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March 12, 1998

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TEXAS MOTORCYCLE DEALER SENTENCED FOR MULTI-MILLION DOLLAR SALE OF BOGUS FDIC ASSETS

FOR IMMEDIATE RELEASE

Federal Deposit Insurance Corporation (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, was sentenced March 10 to 70 months in prison and ordered to pay \$3.1 million in restitution to his victims for the fraudulent sale of fictitious FDIC assets. The sentence followed his November 20, 1997, guilty plea to one count of defrauding an investor of \$360,000 in bogus FDIC assets.

Meister's company, Motor Works of Arlington, Inc., was also sentenced to two years probation after pleading guilty November 20 to two counts of defrauding investors of \$506,661 in the same scheme. The sentences, handed down in U.S. District Court in the Northern District of Texas, Dallas, TX, included a preliminary order against Meister and Motor Works to forfeit \$360,000 and \$506,000 in assets, respectively, along with a residence in Arlington, TX.

This investigation was conducted by the FDIC's Office of Inspector General (OIG).

Meister and Motor Works were indicted on October 15, 1997, by a federal grand jury in Fort Worth, TX, on 19 counts of defrauding investors. The indictment charged 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.

The OIG's investigation revealed that between February 1992 and August 1, 1996, Meister and Motor Works provided the victims with bogus joint venture agreements and fictitious documents on FDIC letterhead "securing" their investments in the FDIC



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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property. The documents described property such as late-model Mercedes and BMW automobiles being offered for sale by the FDIC at greatly discounted prices, and provided confirmation to the investors that their money had been received by the FDIC. After receiving the investors' money, Meister and Motor Works illegally converted the funds to their own personal and business use.

The OIG determined that Meister and Motor Works took in about \$11.7 million from at least 14 unsuspecting investors. Many of the investors were repaid by Meister and Motor Works with funds stolen from other investors, without knowing that they had been duped. The prosecution of this case was directed by Assistant U.S. Attorney Richard B. Roper III of the Fort Worth Division of the U.S. Attorney's Office.

Last Updated 07/14/1999
