



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## **CALIFORNIA MAN FOUND GUILTY OF CONCEALING ASSETS FROM THE FDIC**

### **FOR IMMEDIATE RELEASE**

Federal Deposit Insurance Corporation (FDIC) Inspector General Gaston L. Gianni, Jr., announced today that Mitchell Brown of San Rafael, CA, was found guilty February 5 by a federal jury in Santa Fe, New Mexico, for concealing assets from the FDIC and bankruptcy fraud.

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

The FDIC, acting as receiver of a failed savings and loan, obtained a \$2.4 million judgment in 1990 against Mitchell Brown through the U.S. Bankruptcy Court for the District of New Mexico in connection with a loan he had fraudulently obtained from the failed institution. The debt was nondischargeable through the bankruptcy, making it collectable by the FDIC.

Based on Brown's representation of having virtually no assets from which the FDIC judgment could be collected, the FDIC settled the judgment in 1994 by accepting a \$10,000 cash payment from him. The OIG's investigation later found that Brown had understated his assets. Among the assets uncovered was \$479,000 deposited between February 1989 and December 1995 to the "New Mexico Land Company" account, an account under Brown's exclusive control.

Brown is scheduled to be sentenced within 70 days of his conviction. He faces up to 45 years in prison and \$1.75 million in fines.



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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