PRESS RELEASE
Federal Deposit Insurance Corporation

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FORMER FDIC EMPLOYEE SENTENCED FOR EMBEZZLING AND LAUNDERING AGENCY FUNDS

FOR IMMEDIATE RELEASE

Federal Deposit Insurance Corporation (FDIC) Inspector General Gaston L. Gianni, Jr., announced today that former FDIC employee Douglas Peklo of Woodbury, CT, was sentenced in U.S. District Court to five years in prison for accepting $97,000 in bribes and embezzling and laundering $138,500 in FDIC funds while with the agency.

This case was investigated by the FDIC's Office of Inspector General and the U.S. Postal Inspection Service.

Peklo's sentenced followed his October 1997 conviction on all charges of a five-count indictment. The indictment charged that Peklo accepted $97,000 in cash payments from an individual who purchased a marina, restaurant and motel complex known as "The Moorings" in Point Pleasant, NJ, from the FDIC, and that Peklo embezzled $138,500 obtained from an insurance settlement on the property.

Peklo was employed in the South Brunswick, NJ, office of the FDIC as a liquidation specialist who managed and sold assets the FDIC acquired from failed banks. One such asset was The Moorings property. The marina complex was posted as collateral for a loan made by a failed bank taken over by the FDIC. The borrowers defaulted on the loan, and the FDIC acquired the collateral.

Peklo offered to steer the FDIC sale of the marina to a Bergen County man for $4 million in exchange for a $250,000 cash gratuity. The buyer agreed and the FDIC sold the marina to the buyer's corporation in exchange for a $3.7 million promissory note. The buyer gave Peklo $97,000 in several cash payments over the next 18 months.

Peklo destroyed FDIC file documents relating to the sale and failed to have the buyer's promissory note posted in the FDIC's computer system.

Peklo also embezzled an insurance settlement check for extensive water damage that occurred when a fire sprinkler discharged in the marina's restaurant several months before the bank closed. Acting for the FDIC, Peklo settled the insurance claim for $138,500 while the marina was being prepared for sale by the FDIC. He forwarded the settlement check to an attorney in Georgia, described as Peklo's business partner, who deposited the check into his escrow account and wired the money back to a Washington, DC, bank held by Telcontrol, a corporation owned by Peklo. Peklo withdrew the money from this account over the next several months.

In addition to his prison sentence, Peklo was ordered to serve a three-year period of supervised release after imprisonment. The court, after finding that Peklo had insufficient funds to pay full restitution, also ordered him to pay $15,000 in restitution.

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