



PRESS RELEASE

Federal Deposit Insurance Corporation

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Media Contact:
Samuel Holland (202-416-2912)

CONNECTICUT COUPLE INDICTED FOR CONCEALING ASSETS FROM FDIC

Federal Deposit Insurance Corporation (FDIC) Inspector General Gaston L. Gianni, Jr., has announced that Gary S. Blonder and Laura Z. Schwartz of West Hartford, CT, were indicted on October 31 by the U.S. Attorney for the District of Connecticut on charges related to concealing assets from the FDIC and making false statements to the U.S. government.

This case was investigated by the FDIC Office of Inspector General. Blonder is charged with a total of five counts - one for concealing assets from the FDIC and four for making false statements to the government. Schwartz is charged with aiding and assisting Blonder in concealing the assets.

According to the indictment, Blonder owes the FDIC \$2.714 million as part of an order of restitution entered by the U.S. District Court in Hartford in connection with a 1996 criminal conviction. The single count of concealing assets from the FDIC alleges that between June 1999 and August 2002, Blonder -- aided and abetted by Schwartz -- conducted four real estate transactions so that all financial and land records would show Schwartz as the sole owner. In reality, Blonder allegedly arranged the purchase and financing of the properties and used money from his privately held businesses to finance and improve the properties. The indictment further alleges that upon the sale of two of these properties, Blonder shared in the profits and concealed this money from the FDIC.

Blonder is also charged with making false statements concerning material facts to different U.S. government representatives. One count alleges that on December 8, 2000, Blonder provided a false written statement to the U.S. Attorney's office in Connecticut in connection with an attempt by that office to collect the money owed to the FDIC. In that statement, Blonder stated that he had sold a \$100,000 U.S. Treasury bond received as part of a divorce settlement when, in fact, he still owned the bond and was holding it in a brokerage account in one of his business names. Three counts allege that Blonder made false statements to his probation office regarding his financial dealings and the operation of his solely owned businesses.

If convicted, Blonder faces up to five years imprisonment and a \$250,000 fine on each count. Schwartz, if convicted, faces up to five years imprisonment and a \$250,000 fine.



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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