



NEWS RELEASE

Office of the United States Attorney
Eastern District of Texas

FOR IMMEDIATE RELEASE

DATE: April 21, 2004

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USED CAR DEALER ADMITS TO BANK FRAUD

(Beaumont, Texas) A 43-year-old Lumberton man has admitted to bank fraud in a used car scheme that cost local banks several million dollars. **ROBERT L. MCDORMAN**, pleaded guilty today to an information charging him with bank fraud while selling used cars at several area locations under the name of McDorman Motors.

According to information prosecutors presented in court, MCDORMAN defrauded SouthTrust Bank by selling secured merchandise out of trust. MCDORMAN agreed to waive grand jury review and a jury trial and enter a plea of guilty to Count I of the Information alleging a violation of Title 18, United States Code, Section 1344, Bank Fraud. The charge carries a maximum sentence of 30 years imprisonment and a fine of up to \$1 million. As part of his plea, MCDORMAN has agreed to pay restitution in the amount of \$350,000 to South Trust Bank. From facts arising out of a separate scheme, MCDORMAN has also agreed to pay Mauriceville National Bank \$3,374,256.21 in restitution.

Matthew D. Orwig, U.S. Attorney for the Eastern District of Texas,
stated, "the fallout from bank fraud reverberates through our

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communities, trickles down to bank customers and plucks money from the pockets of innocent people. Shady business schemes in the Eastern District of Texas will not be tolerated and cheats will be brought to justice."

U.S. District Judge Marcia Crone has not set a sentencing date.

Assistant U.S. Attorney, Chief of the Criminal Division, Malcolm Bales and Assistant U.S. Attorney Paul Naman are prosecuting this case. The Federal Bureau of Investigation and the Federal Depository Insurance Corporation investigated this case.

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