

NEWS

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Man Pleads Guilty to Defrauding the U.S.
Small Business Administration

(More)

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TRENTON – A North Bergen man pleaded guilty today to defrauding the United States Small Business Administration and defaulting on a \$250,000 Small Business Administration loan, U.S. Attorney Christopher J. Christie announced.

Woong K. Oh, 45, a.k.a. “Michael Oh,” pleaded guilty before U.S. District Judge Anne E. Thompson to a one-count Information that charges him with wrongfully keeping and concealing property pledged and mortgaged to the U.S. Small Business Administration (“SBA”). Oh was previously arrested on a criminal Complaint on Dec. 23, 2007. Judge Thompson continued the defendant’s release on a \$100,000 bond pending sentencing, which is scheduled for June 25.

At his plea hearing, Oh admitted that he applied for and received a \$250,000 commercial loan on behalf of his business, known as KOS Trading, in February 2005. The loan was guaranteed by the SBA, a federal agency that financially backs loans issued by certain lenders, such as banks. Through the SBA program, lenders are able to provide commercial loans to qualifying small businesses when financing is otherwise unavailable to them through normal lending channels.

Oh admitted that he pledged his home as collateral for the SBA loan and was not permitted to sell his home without the bank’s written approval. Oh admitted that on July 12, 2006, he sold his home for a profit of approximately \$487,000 and concealed the sale of the property from the bank and the SBA. Furthermore, Oh admitted that he signed a false Affidavit of Title, which concealed from the buyers that the SBA had an interest in the property. Oh also acknowledged that he defaulted on the \$250,000 SBA loan.

As part of his plea agreement, Oh agreed to pay approximately \$715,000 in restitution to a bank and to the United States. This amount includes the \$250,000 SBA guaranteed loan subject to his plea as well as other defaulted loans.

The charge carries a maximum penalty of 5 years’ imprisonment and a \$250,000 fine or twice the aggregate loss to any victims or gain to the defendant.

In determining an actual sentence, Judge Thompson will consult the advisory U.S. Sentencing Guidelines that provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant’s criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the United States Small Business Administration,

Office of Inspector General, under the direction of Eric M. Thornson, Inspector General, in Washington, D.C., for the investigation.

The case is being prosecuted by Assistant U.S. Attorney Anthony Moscato of the U.S. Attorney Office's Strike Force unit, in Newark.

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Defense Attorney: Robert G. Stahl