



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE**  
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**U.S. MAKES ARRESTS IN LOAN AND CREDIT CARD FRAUD SCHEME**

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York, and MARK J. MERSHON, Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced the arrests of TERRENCE D. CHALK and DAMON T. CHALK on charges involving conspiracy to influence financial institutions by making false statements on applications for loans, lines of credit, and credit cards. TERRENCE D. CHALK also was charged with credit card fraud.

According to the eight-count Indictment returned yesterday and unsealed today, TERRENCE D. CHALK, the principal of a White Plains-based computer systems company, and DAMON T. CHALK, who worked for TERRENCE D. CHALK, submitted applications for loans, lines of credit, and credit cards, that contained misrepresentations of the ownership of the Chalk entities, the identity of the guarantors, and false financial information. Made in the names of various Chalk business entities, some of these applications misrepresented that certain Chalk employees and clients were guarantors for the loans and were owners and officers of various Chalk entities. It is further alleged that the applications included personal identification information, such as names, addresses and social security numbers, of Chalk employees or clients, submitted without their knowledge or permission. While seeking to obtain the loans, lines of credit, and credit cards, TERRENCE D. CHALK and DAMON T. CHALK met with representatives of financial institutions and made the same false statements during these meetings. TERRENCE D. CHALK is also charged of used unauthorized credit cards to incur more than \$100,000 in unauthorized charges.

TERRENCE D. CHALK, 44, lives in White Plains, New York.

If convicted, he faces a maximum of sentence of 165 years' imprisonment and \$5.5 million in fine. DAMON T. CHALK, 35, lives in Florida. If convicted, he faces a maximum sentence of 35 years' imprisonment and \$1.25 million in fines.

The defendants were arraigned today in federal court in White Plains, New York before United States Magistrate Judge GEORGE A. YANTHIS. TERRENCE D. CHALK's bail is set as a \$250,000 bond, and DAMON T. CHALK was detained. The case was assigned to United States District Judge STEPHEN C. ROBINSON.

Mr. GARCIA praised the investigative efforts and work of the Federal Bureau of Investigation.

Assistant United States Attorney EUGENE INGOGLIA is in charge of this prosecution.

The charges in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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