



Department of Justice

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FORMER "BUSINESSMAN OF THE YEAR" SENTENCED FOR FRAUD

Slaughter Manipulated His Company's Financial Position To Fraudulently Obtain A \$6 Million Loan

Atlanta, GA - JASON SLAUGHTER, 43, of McDonough, Georgia, was sentenced today by United States District Judge Timothy Batten to serve 10 years in prison for defrauding Branch Banking and Trust (BB&T) of approximately \$6 million.

United States Attorney David E. Nahmias said of the case, "The stability and efficient functioning of our banking system depends in large part on the exchange of accurate financial information by the parties to a transaction. This defendant decided to manipulate his company's short term asset valuations and used the phony numbers to obtain a multi-million dollar loan for which his company otherwise would not have qualified. Predictably, the loan defaulted, and the company assets that Mr. Slaughter pledged as collateral were found not to exist."

SLAUGHTER was sentenced to 10 years in prison to be followed by five years of supervised release, and order to pay \$5,694,204.55 in restitution. SLAUGHTER was convicted of these charges on October 17, 2007, following a jury trial.

According to United States Attorney Nahmias and the information presented in court: SLAUGHTER was the President and Chief Executive Officer of "S&W International Foods," a privately owned company that sold meats and freshly baked biscuits. SLAUGHTER was once recognized as a successful businessman, winning the U.S. Small Business Administration's Outstanding National Minority Small Business "Person of the Year" award in 1999. Within two years, however, SLAUGHTER's business began to have significant financial problems. To maintain his image as a successful businessman, SLAUGHTER ordered his employees to manipulate S&W's accounts receivables and inventory numbers by over 200%. He then submitted the inflated financial numbers to Branch Banking & Trust (BB&T) bank to obtain a six million dollar line of credit to be collateralized by his company's accounts receivable and inventory.

To continue the scheme, SLAUGHTER submitted to the bank's auditors fraudulent

invoices to justify the amount of accounts receivable that were reflected in the reports submitted to the bank. Moreover, the company kept two sets of financial books – a set that reflected the true financial position of the company, and a set to show the bank’s auditors. When the collections on the accounts receivable fell short, BB&T conducted another audit and discovered the fraud. As a result of SLAUGHTER’s fraud, BB&T suffered a loss of over 5.5 million dollars.

This case was investigated by Special Agents of the Federal Bureau of Investigation.

Assistant United States Attorney Bjay Pak prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.