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## **BOSSIER BUSINESSMAN SENTENCED FOR BANK FRAUD AND BANKRUPTCY FRAUD**

### *More than \$158,000 in Bankruptcy Assets Concealed*

**Shreveport, La.** . . . William R. Hayes, 62, of Bossier City, Louisiana, owner of Fire Security Systems, Inc., was sentenced to 30 months in prison for defrauding the First Louisiana Bank, and later committing bankruptcy fraud by submitting false statements regarding his business and the income from his business, Acting United States Attorney William J. Flanagan announced today. Hayes was ordered to pay restitution in the amount of \$158,454 and was also sentenced to 5 years supervised release following the completion of his prison sentence. The sentence was imposed by United States District Judge S. Maurice Hicks, Jr., in Shreveport.

Hayes was convicted by a federal jury in November 2009 for one count of bank fraud and four counts of bankruptcy fraud. According to court testimony, Hayes filed for voluntary Chapter 7 bankruptcy on February 17, 2004. As part of his bankruptcy, Hayes submitted a statement of financial affairs which contained material false statements and declarations, despite having signed the statement under penalty of perjury. Hayes reported that he had no interest in any business when in fact he was the founder and owner of Fire Security Systems, Inc., a commercial fire sprinkler company, and had invested at least \$100,000 in a successor commercial fire sprinkler company,

Royal Supply, Inc. Hayes also failed to disclose income and property transfers made during the relevant period as required.

First Louisiana Bank objected to the bankruptcy discharge when it learned that Hayes had fraudulently used or spent the \$158,000 in proceeds from an accounts receivable which he had previously pledged to the bank as collateral for a loan. Hayes' Chapter 7 bankruptcy discharge was eventually denied at the conclusion of the bankruptcy proceedings.

This case was investigated by the Federal Bureau of Investigation, Shreveport Resident Agency, assisted by the United States Bankruptcy Trustee's Office, and was prosecuted by Assistant U.S. Attorney Cytheria D. Jernigan.

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