



# Department of Justice

United States Attorney Richard S. Hartunian  
Northern District of New York

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## PRESS RELEASE

United States Attorney Richard S. Hartunian and Special Agent-in-Charge Clifford C. Holly of the Albany Division of the Federal Bureau of Investigation announced that DAVID NORRIS, age 61, of Cypress, Texas, was convicted on Friday, February 4, 2011, following a two-week jury trial before the Honorable Thomas J. McAvoy, Senior United States District Judge, in Albany.

DAVID NORRIS was convicted of one count of felony bank fraud, in violation of Title 18, United States Code, Section 1344, which carries a maximum sentence of thirty years imprisonment and a \$1 million fine, or both

In substance, the evidence at trial showed that, from in or about June 1998 through in or about March 1999, DAVID NORRIS and others knowingly executed a scheme to defraud AT&T Small Business Lending/CIT Small Business Lending, a United States Small Business Administration Preferred Lender authorized to make credit decisions for Union Planters Bank, by applying for and receiving a business loan that was guaranteed by the United States Small Business Administration, in the amount of \$1.6 million. The defendant did so by means of false and fraudulent pretenses, including the making of false and fraudulent statements, the presentation of false and fraudulent documents, and the orchestration of financial transactions to create the appearance that sufficient cash resources were available to meet the lender's requirements.

The evidence at trial showed that the \$1.6 million was to be used for the purchase of an asbestos abatement company, P.W. Stephens, Residential, Inc. In order to obtain the funds, the defendant and others made false statements including that the purchaser was a particular individual

when in fact, the purchaser was another individual, who was financially ineligible to qualify for the transaction. DAVID NORRIS and others facilitated, prepared, transmitted, and submitted a false document that claimed that the falsely identified purchaser had paid \$400,000 toward the purchase price and that the funds were being held in an attorney's escrow account.

The evidence at trial also showed that DAVID NORRIS and others initiated, participated, and engaged in, a series of financial transactions that were devised and intended to create the false belief, understanding, and impression in the lender that the falsely identified purchaser had paid \$834,000 in cash as part of the purchase price for the company; and that DAVID NORRIS and others initiated, participated, and engaged in, a series of financial transactions whereby the loan proceeds were diverted to individuals and entities, including the defendant, DAVID NORRIS, and other companies.

Sentencing is scheduled for June 13, 2011, in Albany. The case was investigated by the Federal Bureau of Investigation, Albany Division, and is being prosecuted by the United States Attorney's Office for the Northern District of New York.

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