



*United States Attorney
Southern District of New York*

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**WHITE PLAINS ENTREPRENEUR PLEADS GUILTY TO CONSPIRING
TO MAKE FALSE STATEMENTS TO FINANCIAL INSTITUTIONS**

PREET BHARARA, the U.S. Attorney for the Southern District of New York, and JOSEPH M. DEMAREST, JR., the Assistant Director-in-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI") announced that TERRENCE CHALK pled guilty today before United States Magistrate Judge GEORGE A. YANTHIS to his participation in a conspiracy to make false statements and representations to financial institutions in connection with applications for loans, lines of credit, and/or credit cards. CHALK also pled guilty to aggravated identity theft for using another person's Social Security number to seek a line of credit from a bank. In connection with his guilty plea, CHALK agreed to pay restitution of \$750,000 to the victims of his offenses.

According to the charging instruments in this case and statements made in open court today at the plea proceeding and on other occasions in this matter:

CHALK, 47, the principal of a White Plains-based computer systems company, and others submitted applications for loans, lines of credit and/or credit cards, in the names of various business entities controlled by CHALK (the "CHALK Entities") that contained false information and representations. Some of the applications falsely represented that certain Chalk employees and clients were guarantors for the loans and/or were owners and officers of the various CHALK Entities when in fact they were not.

Included in the applications was personal identification information, such as names, addresses and Social Security numbers of the CHALK Entities' employees, agents, or clients, without the knowledge or permission of the employees, agents, or clients. While seeking to obtain the loans, lines of credit, and/or credit cards, CHALK and others met with

representatives of financial institutions and falsely represented the ownership of the Chalk entities and the identity of the guarantors and/or supplied false financial information.

CHALK is scheduled to be sentenced before United States District Judge STEPHEN C. ROBINSON on December 2, 2009. He faces on the conspiracy charge a maximum penalty of 5 years in prison, a \$250,000 fine or twice the gross gain or loss resulting from the crime and 3 years of supervised release. On the second charge, aggravated identity theft, CHALK faces a term of 2 years in prison, consecutive to any sentence imposed on the conspiracy charge.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation and added that the investigation is continuing.

Assistant United States Attorneys EUGENE INGOGLIA and KATHRYN MARTIN are in charge of the prosecution.

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