



*United States Attorney
Southern District of New York*

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**FORMER COMPUTER CEO SENTENCED IN MANHATTAN FEDERAL COURT
TO 130 MONTHS IN PRISON FOR SECURITIES FRAUD**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that ERIC SKYS, the former Chairman, President, and CEO of Kaiser Himmel Corporation, was sentenced today in Manhattan federal court by United States District Judge WILLIAM H. PAULEY III to 130 months in prison. SKYS previously pleaded guilty in the middle of a jury trial in August 2009, to securities fraud, wire fraud, and bank fraud charges arising from his scheme to defraud Citibank of more than \$83 million. SKYS attempted to obtain a loan in that amount from Citibank, N.A. ("Citibank") by posting non-existent Sprint Nextel stock as collateral, and forged various financial documents as part of his scheme.

According to the Complaint, Indictment, trial evidence, as well as statements made in court during the sentencing:

SKYS engaged in a scheme to defraud Citibank of more than \$83 million. Specifically, beginning in August 2007, SKYS attempted to obtain a loan from Citibank in exchange for pledging millions of shares of Sprint Nextel Corporation stock that SKYS claimed to own. As SKYS admitted during his guilty plea, he owned no such stock, and he had forged the documents that he submitted to Citibank as evidence of his ownership of the shares. Those forged documents included bank and brokerage records purporting to confirm the existence of the stock, and SKYS's possession. The evidence also showed that after Citibank detected the fraud and refused to grant the loan, SKYS attempted to defraud several other financial institutions.

SKYS pleaded guilty on August 5, 2009, two days after trial commenced, to all five counts in the Indictment. Counts One through Four of the Indictment charged him with securities fraud and wire fraud, and Count Five charged SKYS with bank fraud.

SKYS, 26, who has been detained since his arrest on May 15, 2008, formerly resided in Somerset, Pennsylvania.

Mr. BHARARA praised the investigative work of the Federal Bureau of Investigation and thanked the Pennsylvania State Police and United States Air Force Office of Special Investigations for their assistance in this case.

Assistant United States Attorneys WILLIAM STELLMACH and MARIA DOUVAS are in charge of the prosecution.

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