



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE

March 25, 2009

**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER
REBEKAH CARMICHAEL
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**FORMER BANK OF AMERICA BRANCH MANAGER SENTENCED TO 63
MONTHS IN PRISON FOR \$2 MILLION BANK FRAUD SCHEME**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced today that OSCAR SANCHEZ, a former branch manager for the Bank of America, was sentenced today in Manhattan federal court to 63 months in prison for taking approximately \$100,000 in bribes in return for facilitating the opening of fraudulent bank accounts and approving fraudulent credit lines and credit cards that resulted in a loss to the Bank of America of more than \$2 million. SANCHEZ, together with 14 other defendants, was initially charged with identity theft, credit card fraud, and bank fraud offenses in an Indictment unsealed on August 15, 2007. SANCHEZ ultimately pleaded guilty on November 13, 2008, to a one-count Superseding Information charging him with the bank fraud offense upon which United States District Judge LORETTA A. PRESKA sentenced SANCHEZ today.

According to the Indictment, the Information to which SANCHEZ pleaded guilty, and the Government's sentencing letter in the case:

Members of a ring (the "Khan Ring") headed by co-defendant TAHIR ALI KHAN defrauded banks in a multi-stage process. First they produced false identification documents, purportedly issued by state and federal authorities, such as driver's licenses, resident alien cards, social security cards, and tax identification documents. Then, to build financial credit for these fake identities, the Khan Ring, among other things, fraudulently established bank accounts, credit card accounts, apartment leases, and telephone and utility accounts in the names of the fraudulent identities. The Khan Ring also applied for and obtained lucrative bank loans, home mortgage loans, increased credit card limits, lines of credit, and other financial benefits in the names of the fraudulent identities or in the names of sham businesses supposedly operated by those fraudulent identities. The Khan Ring ultimately defaulted on the loans and credit card debt, causing millions in losses to numerous financial institutions, including the Bank of America. Current loss

estimates from the Khan Ring's fraudulent activities exceed \$24 million.

SANCHEZ himself worked as Bank Manager of the Bank of America branch located at 100 Church Street, in Manhattan. In return for receiving approximately \$100,000 in cash bribes, SANCHEZ opened Bank of America bank accounts and credit cards in the names of fraudulent identities, using fake identification documents supplied by the Khan Ring, or without any documentation at all; helped the Khan Ring to apply for Bank of America business loans in the names of sham corporations, some of which were co-funded through the Small Business Administration; helped the ring to apply for and obtain credit card machines for sham businesses; and advised the Khan Ring about what documents and materials they would need to produce in order to carry out the scheme. This institutional knowledge helped the Khan Ring to succeed in committing bank fraud not only at Bank of America but at other institutions as well.

In addition to the prison term, Judge PRESKA sentenced SANCHEZ to 5 years of supervised release and restitution in the amount of \$2,272,000 to be paid to Bank of America.

Of the sixteen defendants charged in the Indictment, SANCHEZ, 39, of Brooklyn, New York, is the eleventh defendant to plead guilty and the fifth to be sentenced. PRADIPT SHARMA was granted a deferred prosecution agreement.

Criminal charges remain pending against four defendants, including MUHAMMAD SHARIF, AIRE BENSHIMON, SYED HASSN, and SYED SHAH, who remains a fugitive. As to these defendants, the charges contained in the Indictment are merely accusations and the defendants are presumed innocent unless and until proven guilty.

The case is being jointly prosecuted by the U.S. Attorney's Office and the New York State Attorney General's Office and stems from a 16-month investigation conducted by the following agencies, which Mr. DASSIN and ANDREW CUOMO both thanked for their work: the New York City Police Department, New York State Police, the Hoover, Alabama Police Department, the New York State Banking Department, the Federal Bureau of Investigation, the Department of Homeland Security's U.S. Immigration and Customs Enforcement, the United States Postal Inspection Service, the New York State Department of Motor Vehicles, the New York City Department of Probation, the Social Security Administration, and the United States Secret Service.

Assistant United States Attorneys LISA ZORNBERG and ANNA ARREOLA, and Assistant Attorney General MERYL LUTSKY, who has been designated as a Special Assistant U.S. Attorney for this case, are in charge of the prosecution.

09-072

###