



Department of Justice

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OWNER OF DYNUS CORPORATION SENTENCED TO 15 YEARS IMPRISONMENT FOR CONSPIRACY, FRAUD

CINCINNATI – Orlando Carter, 44, of Mason was sentenced in United States District Court here to 15 years imprisonment for misleading lenders in order to secure more than \$10 million in loans and lines of credit for the purchase of personal real estate and the operation of his business, the Dynus Corporation. He was also ordered to pay restitution in the amount of \$4,927,085.

Carter M. Stewart, United States Attorney for the Southern District of Ohio, and Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation, announced the sentence imposed yesterday by Senior United States District Sandra S. Beckwith.

A federal jury convicted Carter on August 18, 2009 of five counts of bank fraud, and one count each of mail fraud, conspiracy to commit mail and wire fraud, conspiracy to commit bank fraud, making false statements to the Small Business Administration, bankruptcy fraud, and making false oaths in a bankruptcy proceeding.

Testimony presented during the trial showed that between September 2004 and February 2006, Carter misrepresented his income to secure a mortgage on a \$1.2 million home, misled banks about business deals with Butler County and lied on a bankruptcy petition. Carter claimed that Dynus had contracts with and received revenues from Butler County when no such contracts existed.

Carter filed for bankruptcy in January 2006 and attempted to hide assets in order to avoid repayment to the creditors and that he wrongfully tried to discharge his debt to a financial institution.

Former Dynus executives Karin Verbruggen, 50, of Loveland, and James Smith, 40, of Lebanon, have entered guilty pleas in connection with the case. Verbruggen pleaded guilty on February 2, 2007 to one count of bank fraud. Smith pleaded guilty on February 16, 2007 to one count of bank fraud and one count of failure to file a federal income tax return. Both are awaiting sentencing. Both testified in Carter's trial.

Stewart commended the FBI agents who conducted the investigation along with Assistant U.S. Attorney Jennifer Barry and former Assistant U.S. Attorney J. Richard Chema, who prosecuted the case.

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