

14 May, 2009

## **Bankruptcy Fraud Indictment**

### **INDICTMENT IN BATON ROUGE, LOUISIANA, ON CHARGES OF BANKRUPTCY FRAUD**

United States Attorney David R. Dugas announced that a federal grand jury returned an indictment yesterday charging LEE M. ALLEN, age 66, and SANDRA SUE ALLEN age 62, both residents of Zachary, Louisiana, with bankruptcy fraud in connection with their bankruptcy case filed in June 2005.

The eight count indictment alleges that the two women posed as a married husband and wife, both on their bankruptcy petition filings and schedules, and under oath in a proceeding conducted before a bankruptcy trustee in August 2005. The indictment further alleges the two women concealed from creditors and the bankruptcy estate over \$18,000 worth of jewelry and over \$138,000 which Sandra Sue Allen received from her mother who had died in March 2005. The alleged scheme involved converting the proceeds which Sandra Sue received from the sale of her mother's home in Chicago into a series of bank cashier checks during the existence of the bankruptcy estate. The checks were then used to purchase land in Zachary and two mobile homes that were placed on the land. None of the transactions were disclosed in the bankruptcy proceedings. Public records associated with both the purchase of the land and attaching the mobile homes to the land indicated the two defendants were unmarried women.

If convicted of all counts, Sandra Sue Allen could receive a maximum sentence of forty years imprisonment and a \$2 million fine, while Lee M. Allen could receive a maximum sentence of thirty years imprisonment and a \$1.5 million fine.

The case was investigated by the Federal Bureau of Investigation; the Office of the United States Trustee in Bankruptcy, Fifth District, headquartered in New Orleans; and Assistant U.S. Attorney Ian F. Hipwell.

NOTE: An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendants. The defendants, of course, are presumed innocent until and unless they are proven guilty at trial.