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FORMER EXECUTIVE OF WHEELING ELECTRONICS FIRM TO BE ARRAIGNED IN ALLEGED \$17 MILLION BANK FRAUD FOLLOWING ARREST OVERSEAS

CHICAGO – A former executive of a defunct consumer electronics business who allegedly engaged in a \$17 million bank fraud scheme and later became a fugitive has been returned to Chicago to face federal charges following his arrest earlier this year in the Philippines, federal law enforcement officials announced today. The defendant, **Kevin M. Gore**, who was chief operating officer of Computer World Solution, Inc., in suburban Wheeling, is scheduled to be arraigned Wednesday in U.S. District Court. Together with co-defendant **Noel Yuan**, the company's founder and president, Gore allegedly swindled Fifth Third bank by fraudulently obtaining funds through a revolving line of credit.

Computer World Solution, which imported and distributed wholesale consumer electronics such as televisions and computer monitors, went into bankruptcy in November 2007. The bank's losses on the business's line of credit were discovered to be in excess of \$17 million. Shortly before the bankruptcy, Gore left the United States and was traveling throughout Asia until he was arrested in late February.

Gore, 40, formerly of Chicago, was initially charged in a criminal complaint in 2008 and was indicted in March 2009 on three counts of bank fraud, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation. The indictment also seeks forfeiture of \$17 million. Gore, who is being held without bond, appeared in court briefly yesterday and his arraignment was continued until 9:20 a.m. tomorrow before U.S. District Judge Joan Gottschall. Yuan, 53, formerly of Northbrook, pleaded guilty to two counts of bank fraud in December 2008 and remains in custody while awaiting sentencing.

According to the indictment, Gore, together with Yuan, executed the fraud scheme between March 2005 and September 2007. Computer World Solution entered into a financing agreement with Fifth Third Bank under which the bank would issue a revolving line of credit, which was secured by the company's accounts receivable. By January 2007, the maximum borrowing limit was increased to \$20 million. Pursuant to the agreement, the company justified advances on the line of credit by submitting "borrowing base certificates" to the bank. Gore allegedly prepared certificates that falsely inflated the amount of the company's accounts receivable, and Yuan signed the certificates and caused them to be submitted to the bank to enable the company to obtain more funds than would otherwise have been permitted. Gore and Yuan allegedly submitted more than 30 such false certificates to the bank. Much of the money they obtained was sent to Asia, purportedly to purchase electronic equipment to be sold in the United States, according to court documents. The defendants then used some of the company's profits from the sale of the merchandise to make payments on the line of credit.

The indictment alleges that Gore submitted false certificates to the bank claiming an account receivable of more than \$2.1 million, which did not exist, and accounts receivable that were due from various other companies were falsely overstated. During a bank audit of the company in July 2007, Gore allegedly gave auditors documents that purported to be statements of a Computer World Solution account at a different bank for the months February, March and April 2007. In fact, the documents were false and forged because they showed wire transfer credits to the account that never occurred and overstated the amount of the company's business income by more than \$40 million, the charges allege.

The government is being represented by Assistant U.S. Attorney Clifford Histed.

If convicted, each count of bank fraud carries a maximum penalty of 30 years in prison and a maximum fine of \$1 million, or the Court may impose a fine totaling twice the loss to the victim or twice the gain to the defendant, whichever is greater. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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