



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **TEXAS MAN SENTENCED FOR \$1 MILLION-PLUS FRAUD AGAINST ST. JOSEPH CREDIT UNION, OTHER FINANCIAL INSTITUTIONS**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that an Austin, Texas man was sentenced in federal court today for defrauding the Postal & Community Credit Union (formerly known as the St. Joseph Postal Employees Credit Union) and other financial institutions.

**Michael L. Snyder**, 49, of Austin, Texas, was sentenced by U.S. District Judge Howard F. Sachs this morning to three years and six months federal prison without parole. The court also ordered **Snyder** to pay \$1,161,512.36 in restitution to three victims of his fraud scheme.

On Aug. 22, 2002, **Snyder** pleaded guilty to the check kiting scheme, which resulted in a \$691,522 loss to the Postal & Community Credit Union in St. Joseph, a \$321,334.36 loss to U.S. Bancorp in Las Vegas, Nev., and a \$148,656 loss to Citibank in Baldwin, Mo.

Check kiting, Graves explained, is a systematic scheme to defraud, whereby non-sufficient funds checks are traded, or cross-deposited, between two or more checking accounts to artificially inflate the account balances. This artificial inflation of the account balances is accomplished by using the float time in the bank accounts. Once bank account balances are artificially inflated, Graves added, checks that would normally be returned for non-sufficient funds are, instead, unwittingly paid by the issuing bank.

By pleading guilty, Graves said, **Snyder** admitted that he wrote non-sufficient funds checks on his St. Joseph Postal Employees Credit Union account for deposit into his account at Union Bank of California, and simultaneously wrote non-sufficient funds checks on his account at Union Bank of California for deposit into his St. Joseph Postal Employees Credit Union account. The result, Graves explained, was to artificially inflate his account balances with kited worthless checks, thus causing the banks to honor those worthless checks for payment.

The case is being prosecuted by Assistant U.S. Attorney Sheryle L. Jeans. It was investigated by the Federal Bureau of Investigation.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at [www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)