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PRESS RELEASE

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Former assistant bank branch manager pleads guilty
to fraud and related activity in connection with computers
–unauthorized $50,000 deposit into personal account was to cover gambling losses--

Washington, D.C. - Joseph A. Covelli, 22, a former assistant branch manager at Commerce Bank, pleaded guilty today to one count of fraud and related activity in connection with computers, announced U.S. Attorney Jeffrey A. Taylor and Joseph Persichini, Jr., Assistant Director in Charge of the FBI's Washington Field Office.

Covelli's guilty plea was entered earlier today in U.S. District Court before the Honorable Royce C. Lamberth, who scheduled the sentencing for March 12, 2008. The defendant faces a maximum of 5 years in prison and a fine of $250,000, although under the federal sentencing guidelines, he faces a likely sentence that would not include incarceration at this time.

According to the government's evidence, in June 2003, Covelli began working as a customer service representative for Commerce Bank at the bank's branch located at 1753 Connecticut Avenue, NW, Washington, D.C. Covelli was promoted to weekend supervisor in June 2005, and in September 2006, he was promoted to the position of assistant branch manager. As the assistant branch manager, Covelli was responsible for all internal branch operations.

On or about February 3-4, 2007, Covelli traveled to Atlantic City, New Jersey ("Atlantic City") to gamble. Covelli lost thousand dollars on this gambling trip, including $25,716.49 that he withdrew from his personal bank account at Commerce Bank. Covelli made these withdrawals from his personal bank account on Sunday, February 4, 2007, and thus was aware that the transactions would not post to his account until at the earliest when the bank reopened on Monday, February 5, 2007.

To withdraw the $25,716.49 from his account, Covelli relied on a temporary, internal credit to his account that a Commerce Bank employee made available to him. Since the credit was temporary, Covelli risked overdrawing his account if he withdrew money based on the credit and failed to make an actual deposit before the credit expired.

On February 5, 2007, Covelli went to Commerce Bank at 1753 Connecticut Avenue, NW, Washington, D.C. to report for work. At approximately 1:51 p.m., Covelli (with the assistance of a coworker) used a computer belonging to Commerce Bank (and protected by federal law) to make an unauthorized and false deposit of $50,000 to his personal bank account at Commerce Bank. Covelli made the false deposit knowingly and with the intent to defraud, and for the purpose of covering the $25,716.49 in withdrawals that he made on February 4, 2007. The false deposit was made at one of the teller stations at the Commerce Bank where Covelli served as the assistant branch manager.

At approximately 4:43 p.m. on February 5, 2007, Covelli asked a co-worker to complete a paper-only withdrawal of $20,000 from his personal bank account. This transaction, for which Covelli did not actually receive cash or currency, had the effect of reducing the balance of the false deposit in Covelli's account from $50,000 to $30,000.

While in Atlantic City on February 5, 2007, Covelli made two ATM withdrawals from his personal bank account with Commerce Bank, totaling $9,908. To complete these transactions, Covelli relied on the false $50,000 deposit that he made earlier in the day.

Covelli gambled for several hours in Atlantic City, won $75,000, and left the casino after tipping the dealer $2000. At approximately 8:00 a.m. on February 6, 2007, Covelli went to an Atlantic City branch of Commerce Bank and deposited $73,000 into his personal bank account.

In the evening on February 6, 2007, employees at the Commerce Bank branch where Covelli worked determined that the bank vault was short by $50,000. The employees determined that the deficit resulted from the false deposit that Covelli made on February 5, 2007. Accordingly, the

employees withdrew $50,000 from Covelli's personal bank account, and returned the money to Commerce Bank (thereby balancing the vault). These employees did not benefit from Covelli's $50,000 false deposit or from the gambling winnings that Covelli generated by using the money that he withdrew from his account based on the false deposit.

In announcing the guilty plea, U.S. Attorney Taylor and FBI Assistant Director in Charge Persichini praised the investigative efforts of FBI Special Agents Spencer Brooks, Brick White and James Godley. They also commended Assistant U.S. Attorney Geoffrey Carter and Legal Assistant April Peeler of the Fraud and Public Corruption Section.