

**20 February 2007**

## **GEORGE STEEN SERVING SIX YEARS GETS THREE MORE ON SECOND CONVICTION**

A serial fraudster was found guilty today of defrauding a further victim whilst he was on trial. A jury took ¾ hour to convict George Steen of defrauding Clinton Swaine in April 2003, whilst Steen was on trial for a conspiracy to defraud. George Steen fled to the Philippines in May 2003 to escape the authorities and the SFO and Sussex Police, with the assistance of the Philippine authorities had him brought back to the UK. HHJ Robbins sentenced George Steen today to 3 years imprisonment.

In April 2003 George Steen persuaded Mr Swaine to part with \$25,000 in 'due diligence fees' to make an application for a commercial loan of \$6 Million. At the time George Steen was on trial for his part in conspiring to defraud hundreds of unwary investors of £3.5 Million. Mr Steen then attempted to extract a further \$40,000 in fees for an application for a further \$82 Million loan. Unbeknownst to Mr Swaine and the court Mr Steen had plans to flee the UK to the Philippines, and shortly after giving evidence he disappeared on the 22<sup>nd</sup> May 2003. Mr Swaine unable to contact Mr Steen, and anxious to find out what had become of the fees and the promised loans flew to London and then drove to Darlington to find Steen. After searching for George Steen, Mr Swaine discovered that Steen was already on trial. Realising he had been defrauded Mr Swaine went to the police. Mr Steen was eventually retrieved from the Philippines by the efforts of the SFO and the Sussex Police. He was convicted today of obtaining \$25,000 by deception from Clinton Swaine deception and attempting to obtain a further \$40,000.

Today's sentence of 3 years is in addition to another prison sentence of 6 years that Mr Steen's is still serving. That sentence followed his conviction (in his absence) in the 2003 trial for his part in the conspiracy to defraud investors of £3.5 Million. Mr Steen has already paid over £1 Million in compensation to the victims of that conspiracy who have been traced. He is due to pay ½ Million in June 2007. Should he fail to do so he will face another 8 years imprisonment.

### **BACKGROUND TO CURRENT TRIAL**

In April 2003 George Steen was offering fictitious loans via a company called Philippine Commercial Finance (Europe) Ltd (PCF) in Darlington. The company had been set up in August 2001 (after his arrest and charge for the earlier conspiracy). Steen was the only shareholder and controlled the company accounts.

In April 2003 Bob Watine and Clinton Swaine were planning to purchase and refurbish a motel in Fort Lauderdale. To finance this they were looking for a loan of \$6 Million. In an effort to raise the funds they had contacted a broker from North Carolina, Paul Tomasi. On the 19 April 2003 Paul Tomasi, informed Swaine and Watine about a possible source of funding. That source was PCF George Steen's company. Clinton Swaine contacted Mr Steen and was convinced he was genuine. On the 22 April 2003 Clinton Swaine applied for a loan of \$6 Million. He was so impressed with Steen that he submitted a second application to raise a further \$82 million.

Steen sent Swaine a letter accepting the loan application for \$6 Million in late April which stated that a sum of \$25,000 was required for 'due diligence.' This was a ploy Steen had used previously with other victims. Mr Swaine duly paid the \$25,000 to Mr Steen. Mr Steen sent a further letter again accepting the loan application for \$82 Million. This time Steen requested \$40,000 for 'due diligence'. This was to be the last communication the two men had. Steen had already purchased his ticket to Manila and would fly, using his second passport in breach of bail, shortly after giving his evidence on the 22 May 2003

After Mr Steen fled to the Philippines Mr Swaine was unable to contact him. He flew to London and drove to Darlington to find Steen. Swaine discovered that Steen was on trial and had left the jurisdiction. He then made a complaint to the Police. On June 23 the jury at Southwark Crown Court convicted Steen in his absence and representatives of the SFO and the police went to Manila where he was deported back to the UK.

### **BACKGROUND TO 2003 TRIAL FOR CONSPIRACY TO DEFRAUD**

George Steen was one of three defendants convicted of conspiring to defraud between January 1996 and June 1999. The conspirators targeted overseas investors by placing fake press advertisements for commercial loans. Applicants for the loans were told to pay advance fees to have their applications processed. The loans never materialised. Several hundred investors were defrauded of £3.5m. The trial began on the 13 January 2003 and the defendants (including the absent Mr Steen) were convicted on 23 June of that year. The two other defendants, like Steen, were imprisoned for their role in the fraud.

**ENDS**