



SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

FOR IMMEDIATE RELEASE

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MORE THAN 300 DEFENDANTS INVESTIGATED BY SIGTARP HAVE BEEN CRIMINALLY CHARGED *223 have already been convicted while others await trial*

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP) announced today that the Department of Justice and state and local prosecutors have criminally charged more than 300 defendants that SIGTARP investigated for white collar crimes.

Senior TARP bank officials SIGTARP investigated have been charged with masking the declining condition of their bank during the financial crisis by falsifying their bank's books, defrauding the bank, lying to bank examiners, and deceiving bank investors. In many cases, these bankers conspired with large bank customers, such as real estate developers or construction companies, who were not paying their bank loans. Those customers have been prosecuted for conspiring with bank officials to hide their bad loans through sham transactions, fake capital raises, and the use of friends or family members as straw borrowers. Other TARP bank officials SIGTARP investigated have been charged with embezzlement, money laundering, kickback schemes, or other crimes that caused losses to the bank. While SIGTARP's primary focus is on officials at TARP banks, officials at banks that applied unsuccessfully for TARP with fraudulent books that SIGTARP investigated have also been criminally charged, along with their co-conspirators. Prosecutors have also filed charges against defendants SIGTARP investigated related to other TARP programs.

"I am extremely proud of SIGTARP special agents and investigators who worked as a new law enforcement agency to bring such important criminal cases in our short lifetime," said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). "We know that bringing justice related to the financial crisis is a daunting challenge, and our results show that SIGTARP is up to the challenge. What's more important than the number of defendants charged is bringing accountability for the complex and devastating crimes they are charged with committing. High in dollar amount and high in risk, these are the crimes that cause substantial bank losses, sometimes so high that the bank failed. These are the crimes that leave so many victims in their wake. It is the strength of our relationships with our law enforcement partners that has led us to this important milestone, with all of us working together as a driving force to bring justice to these heinous crimes."

- Only 15% of the criminal referrals for prosecutions arising out of the Savings & Loan crisis were cases with losses of \$1 million or more (with 55% under \$25,000). *
- Criminal schemes uncovered by SIGTARP related to this financial crisis are far more complex and involve much larger dollars. Most SIGTARP cases have losses of more than \$1 million, and some more than \$1 billion. Many of these criminal schemes predated the financial crisis.
- Nearly 70% of defendants sentenced out of the S&L crisis were sentenced to prison for less than 2 years.
- The average prison sentence imposed by courts for TARP-related crime investigated by SIGTARP is 5 years, which is nearly double the national average for white collar crime cases of 3 years.

SIGTARP investigates criminal misconduct and supports the prosecution of those accused through trial and sentencing. SIGTARP plays an important role in ensuring that the Department of Justice and other prosecutors have the evidence required to prove a charged defendant's guilt beyond a reasonable doubt. Our hard work has paid off with successful convictions of 223 of the more than 300 charged-defendants. In the upcoming months and year, we will support the prosecutions of those charged whose trials are pending.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program was created as an independent law enforcement agency to investigate fraud, waste, and abuse related to the TARP bailout. To date, SIGTARP investigations have resulted in the recovery of over \$2.48 billion to the Government and 135 defendants sentenced to prison.

To report a suspected crime related to TARP, call **SIGTARP's Crime Tip Hotline**: 1-877-SIG-2009 (1-877-744-2009).

To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov/pages/press.aspx. Follow SIGTARP on Twitter @SIGTARP.

**S&L statistics excerpted from a 1993 GAO study.*

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