



FOR IMMEDIATE RELEASE

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MISSOURI MAN SENTENCED TO FOUR YEARS IN FEDERAL PRISON FOR DEFRAUDING TARP BANK

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) today announced that Michael Edward Filmore, 52, of Chesterfield, Mo., was sentenced on May 22, 2014, to four years in federal prison for defrauding TARP recipient Pulaski Bank (Pulaski), of Creve Coeur, Mo. He was also ordered to pay \$6.5 million dollars in restitution and will remain on supervised release for three years after his prison sentence is served. Filmore was sentenced by United States District Judge Audrey G. Fleissig in St. Louis, Mo.

“Filmore’s 10-year fraud scheme cost Pulaski Bank more than \$5 million, the bank was unable to repay TARP in full, and taxpayers took a \$3.6 million loss on Treasury’s discounted sale of its TARP stock in the bank,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “Before and during the time that Pulaski Bank was in TARP, Filmore obtained more than \$6 million in Pulaski Bank loans by fabricating documents, using shell companies, and outright lying about collateral. TARP was intended to stabilize the financial system, not to fund crime. SIGTARP and our law enforcement partners will bring justice to those who commit crimes that jeopardize TARP investments.”

According to court documents, Filmore was a customer of Pulaski and defrauded the bank over a period of several years in a multi-million dollar fraud scheme while he purportedly operated a medical equipment sales firm by the name of Healthcare Partners Group, LLC. Filmore was engaged in the brokerage of medical equipment and needed to finance the acquisition of equipment, which he then sold and leased to customers. In order to obtain financing, Filmore fabricated and altered brokerage account records submitted to Pulaski which purportedly showed that he had millions of dollars in securities that he agreed to pledge as collateral for outstanding loans, including a \$1 million revolving line of credit. However, none of the collateral pledged by Filmore - in the form of securities accounts or purported valuable medical equipment - existed as was represented to the bank. Ultimately, Filmore obtained at least 15 loans and more than \$6 million in financing from Pulaski, and he currently owes Pulaski more than \$5 million.

On November 1, 2013, employees at Pulaski determined that purchase order and account information associated with a new loan was suspicious. Further investigation by the bank revealed fictitious information had been submitted to the bank. Discovering these discrepancies, Pulaski canceled the wire transfer of funds and reported the matter to authorities.

In December 2013, Filmore pleaded guilty to one felony count of bank fraud as a result of the scheme.

In January 2009, Pulaski Financial Corp., of Creve Coeur, Mo., the parent company of Pulaski Bank, received approximately \$32.5 million in federal taxpayer funds through the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). Treasury sold its stake in Pulaski at auction in July 2012 and realized a loss of approximately \$3.6 million on the principal investment.

This case was investigated by SIGTARP, the Federal Bureau of Investigation, and the U.S. Postal Inspection Service. The case was prosecuted by Assistant United States Attorney Tom Albus of the U.S. Attorney's Office for the Eastern District of Missouri.

This prosecution was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, which was established to wage an aggressive and coordinated effort to investigate and prosecute financial crimes. SIGTARP is a member of the task force. To learn more about the President's Financial Fraud Enforcement Task Force, please visit www.StopFraud.gov.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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