



# 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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[www.SIGTARP.gov](http://www.SIGTARP.gov)

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## CALIFORNIA COUPLE PLEAD GUILTY TO FEDERAL FRAUD CHARGES FOR BILKING BANKS, INCLUDING TARP BANKS, OUT OF NEARLY \$5 MILLION

WASHINGTON, DC – The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and United States Attorney for the Central District of California André Birotte Jr. today announced that a Newport Beach, California, couple pleaded guilty this morning to defrauding a consortium of seven banks, including Bank of America and other TARP recipients, in connection with a \$130 million line of credit.

Thomas Chia Fu, 63, and his wife, Cheri L. Shyu (also known as Cheri Fu), 60, owned Anaheim-based Galleria USA, Inc., which imported home decor items manufactured in China. The Fus obtained a \$130 million revolving line of credit for Galleria from a consortium of seven banks. In connection with that revolving line of credit, the couple overstated by tens of millions of dollars the accounts receivables of the company - lies they told the banks in order to continue borrowing funds under the revolving line of credit, according to plea agreements filed in this case. The Fus also admitted to falsifying in Galleria's computer system the accounts receivable amounts by a factor of 10 or more times the actual amount purchased to support the exaggerated numbers and hide Galleria's true financial status.

The banks suffered an estimated loss of \$4.7 million on the revolving line of credit from October 2008 to July 2009.

"In 2008, American taxpayers stepped up to help our nation's banks, while the Fus concocted a scheme to swindle them," said Christy Romero, Deputy Special Inspector General for SIGTARP. "Today, the Fus pled guilty to using a false second set of books to defraud seven banks, including TARP recipients Bank of America and United Commercial Bank, out of loans that resulted in millions of dollars in bank losses. Defrauding institutions that received TARP funds is simply defrauding American taxpayers. SIGTARP will aggressively uncover and investigate fraud, waste, and abuse related to TARP and actively support the prosecution of these crimes to ensure accountability and justice."

The Fus pleaded guilty this morning before United States District Judge Cormac J. Carney. Cheri Fu is scheduled to be sentenced by Judge Carney on July 9, and Thomas Fu is scheduled to be sentenced on July 30.

At sentencing, the Fus each face a statutory maximum sentence of 30 years in federal prison.

Assistant United States Attorney Jeannie M. Joseph is prosecuting the case.

This case was investigated by the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), the Federal Bureau of Investigation, and the United States Secret Service.

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](http://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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