



# SIGTARP

Office of the Special Inspector General  
For The Troubled Asset Relief Program

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## **FORMER BANK OFFICERS AND WALTON COUNTY MAN CHARGED IN BANK FRAUD SCHEME**

*GulfSouth Bank Received \$7.5 Million in TARP Funds, Which Were Lost When Bank Failed*

PENSACOLA, FLORIDA – Anthony J. Atkins, 51, of Eufaula, Alabama, Samuel D. Cobb, 37, of Destin, Florida, and Bruce A. Houle, 57, of Inlet Beach, Florida, have been arraigned in court after a federal grand jury returned a seven-count indictment charging them with conspiracy to commit bank fraud, false statements to a federally insured financial institution; bank fraud, and mail fraud affecting a financial institution. The indictment was announced by Christopher P. Canova, United States Attorney for the Northern District of Florida.

The indictment alleges the following:

In 2008, Atkins, as the president of GulfSouth Private Bank, and Cobb, as a vice president of GulfSouth, devised a scheme to conceal that the bank had mortgage loans in default. As a part of the scheme, Atkins and Cobb solicited Houle, Mark W. Shoemaker, Michael Bradley Bowen, and William Blake Cody to take out loans in their names with the bank. To persuade Houle, Shoemaker, Bowen, and Cody to engage in the scheme, Atkins and Cobb told these individuals that the loans would be non-recourse, meaning that, if the men defaulted, GulfSouth would have no recourse against them.

Thereafter, Atkins and Cobb caused loans to be issued for approximately \$3.8 million to the men they had solicited. As a part of the scheme, Atkins and Cobb caused U.S. Department of Housing and Urban Development Settlement Statement, Form HUD-1s (“HUD-1”) to be prepared in connection with the loans issued by GulfSouth to Houle, Shoemaker, Bowen, and Cody. The HUD-1s falsely stated that the men provided cash for their respective transactions, but the amounts listed as “cash from borrower” on the HUD-1s was actually money provided by GulfSouth. Further, according to the indictment, Atkins, Cobb, Houle, Shoemaker, Bowen, and Cody submitted fraudulent security agreements that falsely represented that Houle, Shoemaker, Bowen, and Cody were obligated to repay their respective loans. As a result of the scheme, it appeared that the loans were performing.

In September 2009, GulfSouth received \$7,500,000 in Troubled Asset Relief Program (“TARP”) funds from the United States Treasury. Thereafter, Atkins and Cobb allowed the condominiums that were collateral for the mortgage loans to be sold in short sales, resulting in a loss to GulfSouth. Further, Atkins and Cobb allowed additional lines of credit that they caused to be issued to be charged off of GulfSouth Private Bank’s books and records.

This case resulted from a joint investigation by the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG). Assistant United States Attorney Tiffany H. Eggers is prosecuting the case. The trial is scheduled for February 6, 2017.

An indictment is merely an allegation by a grand jury that a defendant has committed a violation of federal criminal law and is not evidence of guilt. All defendants are presumed innocent and entitled to a fair trial, during which it will be the government's burden to prove guilt beyond a reasonable doubt at trial.

#### About SIGTARP

SIGTARP's cross-cutting authority enables us to investigate and conduct oversight over all organizations and individuals involved in TARP programs. Our analytical, experienced-based approach identifies hidden complex crime and we work with the U.S. Department of Justice to hold accountable individuals and institutions that break the law. SIGTARP's oversight prevents fraud and drives improvements in ongoing TARP programs. As of October 20, 2016, SIGTARP investigations have resulted in the recovery of \$10.29 billion to the government and 163 defendants sentenced to prison.

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