



SIGTARP

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

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CONSPIRATOR ADMITS SCHEME TO DEFRAUD MOVIE FINANCE COMPANY

Co-Conspirator and an Officer at a TARP Bank Previously Pleaded Guilty; Created Phony Escrow Accounts, Bank Statements, Cashier's Checks and Other Documents to Obtain a Loan to Finance a Movie

David Odom, age 53, of Chicago, Illinois pleaded guilty today to a wire fraud conspiracy arising from a scheme to defraud lenders from February to August 2011 in order to obtain financing for a movie. Co-conspirator Darryl Wesley Clements, age 50, of Detroit, Michigan, previously pleaded guilty to wire fraud conspiracy. Rodney Patrick Dunn, age 40, of Elkridge, Maryland, pleaded guilty to receipt of a bribe by a bank official.

The guilty pleas were announced by Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP); United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Gordon B. Johnson of the Federal Bureau of Investigation, Baltimore Field Office; and Eric M. Thorson, Inspector General for the Department of the Treasury.

According to the plea agreements for the defendants, Rodney Dunn was a vice president and a bank loan officer. In 2009, Dunn met Clements. Dunn believed that Clements was a broker for cash lenders and attempted to raise loan funds through Clements and other loan brokers for an athletic complex in the Newport News area of Virginia. Dunn subsequently agreed that if he received a telephone message where he did not recognize the caller's name, he would text or telephone Clements with the caller's information and permit Clements to return the telephone call posing as "Rodney Dunn, bank officer." Dunn believed he would obtain from Clements valuable contacts with professional athletes that would catapult his career change into sports agency. Clements also promised to pay Dunn for his assistance.

David Odom owned CityScope Productions, LLC, and was seeking financing to produce the movie "Season Tickets." Odom met Clements through an attorney in New York. Clements created documents falsely stating that CityScope had permanent financing of \$13 million for the movie from Bridge Capital and The Shah Group, and that the funds were held in escrow at a bank in Baltimore, where Dunn was employed. In fact, there was no such financing, and there were no escrow funds held at the bank. The false documents further stated that CityScope needed a \$2.5 million bridge loan to complete the financing for the movie.

In order to carry out the fraud scheme, Clements created email accounts which appeared to belong to Dunn and The Shah Group, but which Clements actually controlled. In February 2011, Dunn purchased five cashiers' checks from his employer bank, each for \$20 and made payable to Clements. Clements

then altered the checks so that they totaled \$4 million, the payees were individuals and entities affiliated with the movie, and "The Shah Group," was the remitter. Clements provided the altered checks to Odom/CityScope. Odom knew that the checks were fraudulent since no one had been paid. Clements also fraudulently placed Dunn's forged signature on escrow agreements and proof of funds statements, which Clements emailed to Odom, so that he could furnish those fraudulent documents to prospective lenders.

Dunn communicated by telephone with Clements when a prospective lender called Dunn at the bank to verify the funds in the escrow accounts, so that Clements could return the telephone call, pose as Dunn, and verify the existence of the escrow accounts and their balances. Odom sought financing from multiple lenders including an unsuccessful attempt thwarted by the prospective lender's local counsel in Baltimore. Among other things, Clements created a fictitious bank statement for a purported escrow account which Odom admitted he sent to a prospective lender.

In a telephone call on May 9, 2011, Clements posed as Dunn and fraudulently verified the account numbers and balances of the phony escrow accounts to an official of a California company which specialized in providing bridge financing for movies (California finance company). On the same day, the California finance company loaned \$2.5 million to CityScope and transmitted the funds by wire, specifying that the funds were to be used solely for movie expenses.

In early 2011, Odom's house was sold in a foreclosure proceeding to the mortgage lender and Odom was faced with moving or eviction. Odom admitted that he used the bridge loan funds to spend \$821,000 to purchase his home back from the lender, approximately \$60,000 to buy two cars, approximately \$6,000 to take his family on "Exotic Western Caribbean Cruise" by Carnival Cruise, approximately \$90,000 in transfers to family members, and another approximately \$75,000 in personal expenses. Odom also paid some pre-production movie expenses.

Odom did not repay the loan. The California finance company prepared to have the bank repay the loan from the purported escrow account, leaving messages for Dunn at the bank, which he then passed on to Clements. Clements, posing as Dunn, falsely told the company that the loan repayment had been sent to CityScope. When the California finance company did not receive the funds from CityScope, it brought lawsuits to recover its loan. Because of the allegations contained in the civil law suits, Odom believed that criminal charges would be brought against Clements, and he told Clements his fears. Clements was engaged in another loan fraud and received proceeds of \$4 million. In August 2011, Clements transferred \$2 million to CityScope, which Odom used to settle the California finance company's lawsuit.

Odom and Clements face a maximum sentence of 20 years in prison at their sentencings, which U.S. District Judge George L. Russell III has scheduled for July 27, 2017 at 11:30 a.m. and April 28, 2017 at 9:30 a.m., respectively. Rodney Dunn faces a maximum sentence of 30 years in prison at his sentencing, which Judge Russell has scheduled for June 9, 2017, at 9:30 a.m.

Today's announcement is part of the efforts undertaken in connection with the Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices, and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing

discrimination in the lending and financial markets; and conducting outreach to the public, victims, financial institutions and other organizations. Since fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants. For more information on the task force, please visit www.StopFraud.gov.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets financial institution crime and is an independent watchdog protecting taxpayer dollars. As of February 2, 2017, SIGTARP investigations have resulted in the recovery of \$10 billion to the government and 192 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP's Crime Tip Hotline: 1-877-744-2009. To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov. Follow SIGTARP on Twitter @SIGTARP.

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