



FOR IMMEDIATE RELEASE

Tuesday, January 6, 2015

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

Web: www.SIGTARP.gov

FORMER TARP BANK LOAN OFFICER INDICTED ON EMBEZZLEMENT CHARGES

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Barry R. Grissom, United States Attorney for the District of Kansas, today announced that a former bank loan officer from Great Bend, Kan., appeared in federal court in Wichita, Kan., Monday to face charges of embezzlement, money laundering, and making false entries in bank records.

Brian W. Harrison, 55, a former vice president and loan officer at TARP recipient Farmers Bank and Trust in Great Bend, was charged with three counts of making false entries in bank records, 16 counts of falsifying loan and credit applications, two counts of embezzlement, and two counts of money laundering.

The indictment, which was unsealed on January 5, 2015, alleges the crimes occurred while Harrison was employed at the bank. The indictment alleges Harrison made false statements to Farmers Bank to hide the poor performance of loans he made, approved, and maintained. The false statements served to deflect questions from Farmers Bank about the performance of Harrison's loan portfolio.

The indictment alleges that Harrison:

- Falsified credit and loan applications without the authority of the borrower
- Obtained loans based on false statements
- Refinanced or consolidated loans to hide problems with loan repayments
- Authorized loans in the name of a borrower without the borrower's authority
- Instructed a borrower to dispose of loan collateral in a way that damaged Farmers Bank

"Harrison, a former vice president and loan officer at TARP recipient Farmers Bank, is charged with using his position at the bank to make loans to high-risk and non-qualified borrowers and, after the loans went bad, attempting to cover his tracks by misapplying and laundering bank funds to hide losses on those loans," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Harrison's purported scheme resulted in losses for Farmers Bank, and ultimately, federal taxpayers suffered a \$560,000 loss on their TARP investment in the bank. Those who engage in crime at the expense of taxpayers' hard-earned TARP investments will be brought to justice by SIGTARP and our law enforcement partners."

In June 2009, Farmers Enterprises, Inc., of Great Bend, the parent company of Farmers Bank and Trust, received \$12 million in federal taxpayer funds through the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). In November 2012, the bank exited TARP by purchasing the Treasury Department's stake in the bank at a discount, resulting in a loss of \$560,748 on the TARP investment.

The charges against Harrison carry the following penalties:

- Making false bank entries: A maximum penalty of 30 years on each count and a fine up to \$1 million
- Making false statements on loan and credit applications: A maximum penalty of 30 years on each count and a fine up to \$1 million
- Embezzlement: A maximum penalty of 30 years on each count and a fine up to \$1 million
- Money laundering: A maximum penalty of 20 years and a fine up to \$500,000 on each count

The charges and allegations contained in the indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

The case is being investigated by SIGTARP, the Federal Bureau of Investigation, and the Kansas Bureau of Investigation. The case is being prosecuted by Assistant U.S. Attorney Aaron Smith.

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).

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

###