



# SIGTARP

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

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## **BOARD MEMBERS OF TARP RECIPIENT PREMIER BANK SENTENCED IN CRIMINAL FRAUD SCHEME**

CHICAGO—The Special Inspector General for the U.S. Department of the Treasury’s Troubled Asset Relief Program (SIGTARP) and Illinois Attorney General Lisa Madigan today announced that two former board members of the Wilmette-based Premier Bank pleaded guilty and were sentenced for defrauding the TARP program, the Department of Treasury’s Community Development Financial Institutions Fund, and state and federal banking regulators.

Zulfikar Esmail, 73, pleaded guilty to one count of financial institution fraud of more than \$100,000 and an amended count of theft from TARP of more than \$100,000 and was sentenced to five years in the Illinois Department of Corrections. Shamim Esmail, 68, pleaded guilty to the same counts and was sentenced to 24 months of probation and 250 hours of community service.

The case stemmed from a scheme to defraud TARP of \$6.8 million. The Esmails hid the poor financial condition of the bank from state regulators from 2006 until the bank’s failure March 23, 2012, costing the FDIC \$64.1 million. During that time, the bank officers submitted numerous fraudulent reports to the Illinois Department of Financial and Professional Regulation, misrepresenting the financial condition of the bank’s numerous loans and lines of credit. To cover up the true condition of the bank, money from third parties was used to make payments on several loans that were past due, including payments from a limited liability corporation owned in part by Zulfikar Esmail’s children. Zulfikar Esmail was previously convicted of loan fraud of an \$8.1 million loan from First Midwest Bank in 2009.

“Today two TARP bankers were convicted of a six year massive fraud that contributed to a TARP bank failing and a TARP loss of \$7 million,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program. “Taxpayers did not fund TARP so that fraudulent bankers like the Esmails could fund fraud in the bank. SIGTARP and the Illinois Attorney General’s office joined forces to bring accountability to Zulfikar Esmail who ran this bank without any regard for the law and has now been sentenced to prison. He cooked the books and left many victims in the wake of his deception, including borrowers ensnared into his conspiracy, regulators who were lied to, and taxpayers who lost bailout funds. I would like to thank Illinois Attorney General Lisa Madigan and the great prosecutorial team for standing united with SIGTARP against bailout-related fraud.”

“This couple fraudulently secured TARP Funds at a time when the country’s economy and its major financial institutions were on the brink of disaster,” Illinois Attorney General Madigan said. “Their illegal scheme ultimately resulted in the failure of a bank at a great cost to the bank’s customers and American taxpayers.”

This case was investigated by the Office of the Special Inspector General for TARP and the Office of the Inspector General of the FDIC. Bureau Chief Edward Carter and Assistant Attorneys General Edward Snow, Anshuman Vaidya and Nicole Sutcliffe handled prosecution of the case for Madigan's Special Prosecutions Bureau.

#### 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.

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.

To report a suspected crime related to TARP, call **SIGTARP's Crime Tip Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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