



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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TWO MEN INDICTED IN SCHEME TO DEFRAUD LENDER

Allegedly Created Phony Escrow Accounts at a TARP Bank to Obtain a Loan to Finance a Movie

Baltimore, Maryland – A federal grand jury returned an indictment yesterday charging Darryl Wesley Clements, age 50, of Detroit, Michigan, and Rodney Patrick Dunn, age 40, of Elkridge, Maryland, with conspiring to commit wire fraud and four counts of wire fraud, arising from a scheme to defraud lenders from February to August 2011 in order to obtain financing for a movie.

The indictment was 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; and Special Agent in Charge Kevin Perkins of the Federal Bureau of Investigation, Baltimore Field Office.

“Rodney Dunn is charged with using his employment at a TARP bank to defraud lenders in a movie production financing scheme,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “Co-conspirator Darryl Clements allegedly created fake documents showing that \$13 million in financing had been secured for the movie. Dunn then allegedly confirmed to the lenders that the non-existent funding was held in escrow accounts at the TARP bank; on that same day the lenders wired \$2.5 million for the movie.”

According to the five count indictment, CityScope Productions, LLC had contractual rights to buy the script for a movie to be produced called “Season Tickets.” 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. Dunn was employed at such bank, which received funds through the Troubled Asset Relief Program (TARP). 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.

The indictment alleges that 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, Clements caused Dunn to purchase five cashiers’ checks from his employer bank, made payable to Clements, each for \$20, which Clements then altered by amount and payee and furnished to CityScope. Clements fraudulently placed Dunn’s forged signature on escrow agreements and proof of funds statements which Clements wired to CityScope, in order to cause CityScope to furnish those fraudulent documents to prospective lenders.

According to the indictment, 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. In April 2011, Clements caused a corporation owned by a friend to change its name to The Shah Group and attempted to have Dunn open a bank account at his employer's bank for The Shah Group.

The indictment alleges that in a telephone call on May 9, 2011, Dunn 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); and that Dunn later provided such verification to the California finance company and to an official of its bank in a conference call. On the same day, the California finance company loaned \$2.5 million to CityScope and transmitted the funds by wire.

Both defendants face a maximum sentence of 20 years in prison. An initial appearance is scheduled for May 6, 2016 before in U.S. District Court in Baltimore.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

Today's announcement is part of the efforts undertaken in connection with the President's 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.

United States Attorney Rod J. Rosenstein commended the FBI and SIGTARP for their work in the investigation. Mr. Rosenstein thanked Assistant U.S. Attorney Joyce K. McDonald, who is prosecuting the case.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program was created as an independent law enforcement agency to investigate fraud, waste, and abuse related to the TARP bailout. To date, SIGTARP investigations have resulted in the recovery of \$5.2 billion to the Government and 147 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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