

Remarks by Christy L. Romero, Special Inspector General  
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Press Statement  
Friday, May 24, 2013

***Remarks Regarding the Conviction of CEO of Bank of the Commonwealth,  
Senior Bank Officers, and Co-conspirators***

***Massive bank fraud conspiracy led to the collapse of the TARP-applicant bank***

The verdict returned this morning shows that the same rules apply to bank executives as to any other citizen. If you engage in criminal conduct related to TARP, you will be brought to justice.

Today's verdict is justice served for a massive bank fraud conspiracy at Bank of the Commonwealth by or involving nearly a dozen bank executives, developers, and others, including the CEO and Chairman of the Board of Directors of the bank, an Executive Vice President and Senior Loan Officer, two Vice Presidents and Loan Officers (one of whom is the CEO's son), four real estate developers, two developer employees, and a real estate project manager. This criminal conspiracy led to the collapse of the bank, directly impacted citizens of the Tidewater area, and will cost the FDIC Deposit Insurance Fund an estimated \$268 million.

CEO Edward Woodard and other senior officers at Bank of the Commonwealth and their network of co-conspirators cultivated a culture of deceit and corruption at the bank while defrauding customers, shareholders, and federal regulators, driving the bank into the ground, and in some cases exchanging personal favors and lining their own pockets. The selfishness required to engage in such a fraud with the expectation that taxpayers and members of the community would clean up the mess is both legally and morally offensive.

While many struggled - and continue to struggle - as a result of our nation's financial crisis, executives at Bank of the Commonwealth were busy cooking the bank's books and hiding its true financial condition. Their fraud robbed Tidewater citizens of a source of lending and an important safeguard for their hard-earned savings. This is precisely the sort of behavior that contributed to and worsened our nation's financial crisis.

SIGTARP opened its investigation of Bank of the Commonwealth after the bank applied for \$28 million in TARP funds and was later told by its federal banking regulator to withdraw its TARP application.

To people of the Tidewater region and in communities across the nation - SIGTARP is looking out for you. SIGTARP stands committed to protecting the American people from all crime related to TARP, whether it happens on Wall Street or on Granby Street.

I would like to commend the members of the jury for their courage and perseverance throughout the trial and thank United States Attorney Neil MacBride who has shown great leadership in this important financial crisis case, as well as the terrific Assistant United States Attorneys on the case, Melissa O'Boyle, Katherine Lee Martin, and Uzo Asonye. I also want to thank the FBI, IRS-CI, Federal Reserve Office of Inspector General, and the FDIC Office of Inspector General for their important work on this investigation.