

Remarks by Christy L. Romero, Special Inspector General  
Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP)

Press Briefing  
Thursday, July 12, 2012, 1:00 p.m.

Walter E. Hoffman United States Courthouse  
Norfolk, Virginia

***Remarks regarding indictments of CEO of Bank of the Commonwealth and bank officers***

***Alleged massive bank fraud led to the collapse of the bank***

Good afternoon. I am Christy Romero, Special Inspector General at SIGTARP, a federal law enforcement agency that investigates crime related to the federal bailout known as TARP. Since we last spoke to you from these courthouse steps in April, we have made significant progress in our multi-agency investigation to bring justice to the Tidewater area.

This morning, Bank of the Commonwealth's CEO Edward Woodard, his son Troy Woodard who is a bank officer, bank executive vice presidents Simon Hounslow and Stephen Fields, and two "friends of the bank" were taken into custody for their alleged roles in a massive bank fraud scheme that led to the bank's collapse.

These senior bank officers are charged today with lying and whitewashing, in scheme after scheme, to conceal past-due loans and remove foreclosed property from the bank's books. Today's charges allege that friends of the bank received sweetheart deals in return for helping mask the bank's true financial position, and bank insiders personally benefitted. This type of fraud contributed to the economic crisis and left Tidewater citizens, who depended on this TARP applicant bank, to deal with the bank's collapse.

SIGTARP has been investigating this case because Bank of the Commonwealth applied for \$28 million in TARP funds and was later told by its federal banking regulator to withdraw its TARP application. That same regulator found problems with the practices used at the bank to mask the past due status of loans.

This is an ongoing investigation, and the people of the Tidewater region and in communities across the nation should know that SIGTARP is looking out for them. At SIGTARP, we stand committed to protecting the American people from all fraud related to TARP, whether it happens on Wall Street or Granby Street.

I would like to thank United States Attorney Neil MacBride who has shown great leadership in protecting the people of Tidewater, 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, and the FDIC Office of Inspector General for their important work on this investigation.