

**Remarks by Christy Goldsmith Romero, Special Inspector General for TARP (SIGTARP) Office of the
Special Inspector General for the Troubled Asset Relief Program**

Press Statement

March 24, 2016

Judge Sentences James Laphen, TierOne's former president and chief operating officer, to 34 months in prison and Don Langford, 65, TierOne's former chief credit officer, to 21 months in prison

Yesterday Judge Sentenced Gil Lundstrom, former CEO of century-old TierOne Bank to 11 Years in Prison

TierOne Bank was the largest failure in Nebraska's history; bank applied for \$86 million in TARP funds

Senior bank officials who keep two sets of books will be held accountable for their crimes, and the court's sentencing of two bank officials to prison today is proof of that. As the President of TierOne Bank, Laphen engaged in a cover-up conspiracy directed by bank CEO Gil Lundstrom to understate losses and use unrealistic loan collateral values to make it appear that the bank met required capital ratios. Chief Credit Officer Langford conspired with them to create a second set of books for regulators -- one that hid astronomical write downs in loans -- in what bank officers referred to as 'smoke and mirrors' and 'hiding the ball.' TARP capital was not designed to fund fraud, and SIGTARP stands united with DOJ Criminal Division to fight crime related to TARP.