



SIGTARP

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

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CEO of Shreveport Federal Credit Union Pleads Guilty to Charges in Federal Court

United States Attorney Brandon B. Brown announced yesterday that **Helen Godfrey-Smith**, 72, of Shreveport, Louisiana, has pleaded guilty before United States District Judge Elizabeth E. Foote to making and using a false document.

Godfrey-Smith was employed by the Shreveport Federal Credit Union (SFCU) from 1983 to 2017 and during much of that time was employed as the Chief Executive Officer (CEO) of the SFCU. The SFCU was a Shreveport, Louisiana based financial institution under the regulation of the National Credit Union Administration (NCUA).

In October 2016, the SFCU, through Godfrey-Smith, entered into an agreement with the United States Department of the Treasury to buy back certain securities that were part of the Department's Troubled Asset Relief Program (TARP). As part of that process, on December 27, 2016, Godfrey-Smith signed and submitted to the United States Department of the Treasury an Officer's Certificate which certified that all conditions precedent to the closing had been satisfied.

In reality, SFCU had not met all conditions precedent to closing and had suffered a material adverse effect. Unbeknownst to the United States Department of the Treasury and the NCUA, SFCU was in a financial crisis. From 2015 through 2017, another individual who was the Chief Financial Officer of SFCU (Individual 1), had been falsifying call reports to the NCUA which included millions of dollars in fictitious fee income. In addition, she was creating fictitious entries in the banks records to support the false call reports. This created the illusion that SFCU was profitable when, in fact, the bank was failing. In addition, Individual 1, embezzled approximately \$1.5 million from the credit union.

By the time Godfrey-Smith signed the Officer's Statement, she had become aware of deficiencies at the credit union. Specifically, she had recently investigated and discovered that there were millions of dollars of fictitious entries on SFCU's general ledger, and the credit union's books were not balanced. However, she failed to disclose this information to the United States Department of the Treasury and signed the false Officer's Statement.

In the Spring of 2017, the institution failed. It was taken over by regulators from the NCUA and placed into a conservatorship. An investigation by the NCUA revealed that SFCU had amassed in excess of \$10 million in losses by December 2016.

Godfrey-Smith faces a sentence of up to 5 years in prison, three years of supervised release, and a fine of up to \$250,000. Sentencing is set for April 5, 2022.

The FBI, IRS-Criminal Investigation, and U.S. Department of Treasury–Office of Special Inspector General for the Troubled Asset Relief Program investigated the case. Assistant U.S. Attorney Seth D. Reeg prosecuted the case.

About SIGTARP

SIGTARP was created as an independent law enforcement agency to investigate fraud, waste, and abuse related to the Emergency Economic Stabilization Act (EESA). To date, SIGTARP investigations have resulted in the recovery of over \$11.3 billion, 402 criminal convictions and 314 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). To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov/pages/press.aspx. Follow SIGTARP on Twitter @SIGTARP.

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