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Thursday, January 15, 2015

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FORMER VICE PRESIDENT AT TARP APPLICANT BANK CONVICTED OF BANK FRAUD

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Sally Quillian Yates, United States Attorney for the Northern District of Georgia, today announced that William R. Beamon, Jr., a/k/a "Rusty" Beamon, was convicted on five counts of bank fraud by a federal jury for carrying out a scheme to defraud TARP applicant Appalachian Community Bank of Ellijay, Ga. The verdict was returned on December 19, 2014, in federal district court in Gainesville, Ga.

"Beamon was convicted after a jury found him guilty of using his position at TARP applicant Appalachian Community Bank to defraud the bank in order to line his own pockets," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Beamon's greed and self-dealing at the expense of the bank left holes in the bank's books that the bank tried to fill when it applied for TARP funds. SIGTARP and our law enforcement partners will ensure that justice is served for perpetrators of fraud related to TARP."

"Bank fraud is a critical problem throughout the United States, but it has hit Georgia especially hard," said United States Attorney Sally Quillian Yates. "Georgia leads the nation in bank failures since 2008, with 88 banks failing—including Appalachian Community Bank, the bank this defendant defrauded. These failures have significantly affected the economy, making these cases important to safeguard the nation's financial health."

According to court documents and other information presented in court, Beamon was a vice president at Appalachian Community Bank and was in charge of the bank's foreclosure liquidation department. In 2009, Beamon represented to a real estate agent that he personally owned a house in Cumming, Ga. Beamon hired the agent to market and lease the property on his behalf. In truth, however, the property was owned by Appalachian Community Bank and was part of the bank's foreclosure inventory. Beamon's real estate agent found someone to lease the property and negotiated a lease on Beamon's behalf. Beamon then deposited into his personal bank account more than \$20,000 in rent payments and security deposits that he obtained by leasing out the bank's property as if he were the owner. Beamon also caused the bank to sell bank-owned properties to his wife and to a shell company that he owned, all at prices that were substantially below what other buyers were ready, willing, and able to pay the bank.

In March 2010, Appalachian Community Bank, due to its poor financial condition, failed and was closed by state and federal regulators. The Federal Deposit Insurance Corporation (FDIC) was appointed receiver.

Beamon was charged initially on six counts of bank fraud in February 2013. A superseding indictment on the six counts was returned in January 2014.

At sentencing, Beamon faces a maximum penalty of 30 years in federal prison and a fine of up to \$1 million for each of the five counts of bank fraud. Beamon's actual sentence will be determined by the court and informed by federal Sentencing Guidelines. A date for the sentencing hearing has not yet been scheduled.

This case is being investigated by SIGTARP, the FDIC Office of Inspector General, and the Federal Bureau of Investigation.

Assistant United States Attorneys J. Russell Phillips and Douglas W. Gilfillan are prosecuting the case.

This prosecution was brought in coordination with President Barack Obama's Financial Fraud Enforcement Task Force, which was established to wage an aggressive and coordinated effort to investigate and prosecute financial crimes. SIGTARP is a member of the task force. To learn more about the President's Financial Fraud Enforcement Task Force, please visit www.StopFraud.gov.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

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