



SIGTARP

OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR THE TROUBLED ASSET RELIEF PROGRAM

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

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MISSOURI BUSINESSMAN PLEADS GUILTY TO \$2.8 MILLION BANK FRAUD AGAINST TWO TARP BANKS

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and Acting United States Attorney for the Western District of Missouri David M. Ketchmark today announced that the owner of a defunct Higginsville, Mo., auto body shop pleaded guilty today in federal court to bank fraud.

Clint Edward Dukes, 35, of Mayview, Mo., waived his right to a grand jury and pleaded guilty before United States District Judge Dean Whipple to a federal information that charges him with bank fraud. Dukes was the owner of Dukes Auto Repair in Higginsville from 2004 to 2011.

By pleading guilty today, Dukes admitted that he engaged in a scheme to defraud First Community Bank, U.S. Bank, and First Central Bank from March 2004 to July 2011. In order to obtain approximately \$2.8 million in loans from these banks, Dukes falsely claimed to have contracts with the state of Missouri for car repair work and submitted fraudulent invoices to the banks. Dukes filed false financial disclosure statements with these banks to conceal the fact that he used loans from each bank to extinguish previous loans made from the other banks.

“Clint Dukes’ crime resulted in losses of more than \$2 million for three banks, two of which were TARP banks, one delinquent on its TARP dividends in that same amount,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “Dukes used falsified invoices for nonexistent car repair work through his business to secure loans from the banks totaling nearly \$3 million, more than two-thirds of which was never repaid. All fraud involving TARP is fraud that exploits taxpayer dollars, and SIGTARP, along with our law enforcement partners, will bring to justice those responsible for TARP-related crime.”

“This fraud scheme involved two banks that received funds from the Troubled Asset Relief Program, or TARP,” Ketchmark said. “TARP was designed to help financial institutions recover from the economic downturn, not to provide a cash cow that dishonest business owners could plunder. We will hold those accountable who steal from public funds.”

On May 19, 2009, the parent company of First Community Bank (First Community Bancshares, Inc. of Overland Park, Kan.) received \$14.8 million through TARP. As of Sept. 30, 2012, the \$14.8 million taxpayer investment in the bank remained outstanding, and the bank had missed 10 additional dividend and interest payments totaling more than \$2 million. On Nov. 14, 2008, the parent company of U.S. Bank (U.S. Bancorp of Minneapolis, Minn.) received nearly \$6.6 billion in TARP funds. The bank repaid the funds in full on June 17, 2009.

Dukes' bank fraud scheme resulted in an actual loss of \$2,053,949 to the three, named financial institutions. Under the terms of today's plea agreement, Dukes must pay a money judgment in that amount to the government as forfeiture of the proceeds of his criminal activity.

Under federal statutes, Dukes is subject to a sentence of up to 30 years in federal prison without parole, plus a fine up to \$1 million and an order of restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant United States Attorney William L. Meiners and Lafayette County Prosecuting Attorney Kellie Wingate Campbell, who has been designated a Special Assistant United States Attorney in this case. The case was investigated by SIGTARP; the Higginsville, Mo., Police Department; and the FBI.

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.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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