



SIGTARP

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

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

FOR IMMEDIATE RELEASE

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MISSOURI BUSINESSMEN PLEAD GUILTY TO DEFRAUDING TARP BANK

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Richard Callahan, United States Attorney for the Eastern District of Missouri, today announced that James Crews, 56, of Wentzville, Mo., and Michael Hilbert, 62, of St. Charles, Mo., pleaded guilty on Monday to defrauding Excel Bank, which failed in 2012 after having received \$4 million in federal taxpayer support through the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). Crews and Hilbert appeared before U.S. District Court Judge Carol E. Jackson and were released on bond until sentencing, which is scheduled for July 10, 2014.

According to the plea agreements, Crews and Hilbert admitted to making false statements to Excel Bank with respect to escrow funds or “fix funds” set aside for repairs to rental homes financed through the bank. In reliance on Crews and Hilbert’s claims that work had purportedly been done on the rental properties, the bank disbursed the fix funds, which Crews and Hilbert then used for other purposes. Soon after the funds were disbursed in 2010, the loan went into default.

“In the midst of the financial crisis, Crews and Hilbert defrauded TARP recipient Excel Bank for their own personal gain,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “Crews and Hilbert submitted fake construction draws in order to get money from a loan they held at Excel Bank. While the loan proceeds were supposed to fund the renovation of various real estate investments, Crews and Hilbert used the money for other purposes, and shortly thereafter, they defaulted on the loan. When you defraud a TARP bank, you’re defrauding federal taxpayers, and when Excel Bank failed, it cost U.S. taxpayers nearly \$5 million in lost TARP funds. SIGTARP and our law enforcement partners will continue to pursue all those who engage in TARP fraud and will hold them accountable.”

In May 2009, Investors Financial Corporation of Pettis County, Inc., the parent company of Excel Bank, received \$4 million in federal taxpayer TARP funds. On October 19, 2012, Excel Bank failed and was closed by state and federal regulators. As a result of the bank’s failure, the \$4 million TARP investment was lost, in addition to more than \$900,000 in missed dividend and interest payments owed by the bank as a result of holding TARP funds.

Bank fraud carries a maximum penalty of 30 years in prison and/or fines of up to \$1 million. In determining the actual sentences, a judge is required to consider the U.S. Sentencing Guidelines, which provide recommended sentencing ranges.

This case is being investigated by SIGTARP and the Federal Bureau of Investigation. Assistant United States Attorney Tom Albus is 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.

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

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