



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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BANK CHAIRMAN ADMITS TARP FUNDS USED TO PURCHASE LUXURY VACATION PROPERTY

WASHINGTON, DC – Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Tammy Dickinson, United States Attorney for the Western District of Missouri, today announced that Darryl Layne Woods, 48, of Columbia, Mo., former chairman and chief financial officer (CFO) of Mainstreet Bank in Ashland, Mo., pleaded guilty in federal court on Monday to misleading federal investigators about the use of \$381,000 in TARP bank bailout funds to purchase a luxury condominium in Fort Myers, Fla.

“The purpose of TARP is to promote financial stability and lending in a time of national economic crisis, not to bankroll the purchase of luxury vacation properties for bank executives,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “When SIGTARP required Mainstreet Bank to disclose how it spent TARP funds, bank chairman and CFO Woods failed to tell the truth that within days of receiving the TARP funds, the bank spent more than a third of the funds purchasing a waterfront condo in Florida for his and other executives’ use. SIGTARP and our law enforcement partners will hold accountable and bring to justice those guilty of crimes related to TARP.”

“At a time when many other Americans were losing their homes, he was siphoning off public funds to buy a luxury vacation condo in Florida,” Dickinson said. “These federal funds were intended to help stabilize the economy during a fiscal crisis. Instead, this disgraced business leader took advantage of the situation to benefit himself and other bank executives, then lied to federal investigators in an attempt to hide his scheme.”

Woods waived his right to a grand jury and pleaded guilty before U.S. Magistrate Judge Matt J. Whitworth to a federal information that charges him with making a false writing. Under the terms of his plea agreement, Woods must desist from any further involvement in banking and may not serve as an officer, director, employee, or affiliated party of any financial institution or agency.

In addition to his role at Mainstreet Bank, Woods was also the chairman, president, and majority shareholder of Calvert Financial Corporation, the bank holding company for Mainstreet Bank.

In November 2008, Calvert Financial applied to receive funds through the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). Treasury approved the request for TARP funds, and in January 2009, Calvert Financial received \$1,037,000 through the TARP Capital Purchase Program.

Woods admitted on Monday that \$381,487 of the TARP funds was used to purchase the luxury condominium on Feb. 2, 2009.

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), the watchdog and federal law enforcement agency created to prevent fraud, waste, and abuse related to TARP, required, in February 2009, TARP recipients to report specific information about how TARP funds were being used by those institutions. Woods responded to that inquiry in a letter dated Feb. 10, 2009.

Woods failed to disclose in his letter that a significant portion of TARP funds had been used to acquire the condominium. Failure to disclose the purchase of the condominium was a material misrepresentation of facts relating to the true use of TARP funds.

Under federal statutes, Woods is subject to a sentence of up to one year in federal prison without parole, plus a fine up to \$100,000 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 U.S. Attorney Jim Lynn. The case was investigated by SIGTARP, the FBI, and the Federal Reserve Board - Office of the Inspector General.

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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