



# 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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[www.SIGTARP.gov](http://www.SIGTARP.gov)

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## CALIFORNIA COUPLE SENTENCED TO FEDERAL PRISON FOR DEFRAUDING TARP BANKS

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and United States Attorney for the Central District of California André Birotte Jr. today announced that a husband and wife from Newport Coast, California, have been sentenced to federal prison for defrauding a consortium of seven banks, including TARP-recipients Bank of America and United Commercial Bank, in connection with a \$130 million line of credit.

Thomas Chia Fu, 64, was sentenced on Tuesday to 21 months in federal prison. Fu's wife, Cheri L. Shyu (also known as Cheri Fu), 61, was sentenced on March 4, to three years in federal prison. In addition to the prison terms, United States District Judge Cormac J. Carney ordered the Fus to pay \$4.7 million in restitution.

"At a time when taxpayers were bailing out Bank of America and United Commercial Bank with TARP funds, Thomas and Cheri Fu defrauded those banks and others out of nearly \$5 million," said Christy Romero, Special Inspector General for TARP (SIGTARP). "The Fus fraudulently obtained funds from the TARP banks and other banks using a second set of books that overstated accounts receivable. They lived comfortably off the money, buying property and putting their daughter through college, when many taxpayers who funded the bailout were tightening their belts. Illegally profiting from the TARP bailout is reprehensible and will be met with swift justice by SIGTARP and our law enforcement partners."

"Bank fraud is not a victimless crime as it has detrimental effects on both creditors and consumers," said United States Attorney André Birotte Jr. "The Fus plundered a consortium of banks, which deprived legitimate customers from having access to those funds and caused the financial institutions to suffer millions of dollars in losses. The prison sentences issued to this couple demonstrate our resolve to hold fraudsters accountable for their crimes."

The Fus owned Anaheim-based Galleria USA, Inc., which imported home décor items manufactured in China. The Fus obtained a \$130 million revolving line of credit for Galleria from a consortium of seven banks. In connection with that revolving line of credit, the couple overstated by tens of millions of dollars the accounts receivables of the company – lies they told the banks in order to continue borrowing funds under the revolving line of credit, according to court documents. When they pleaded guilty last year, the Fus also admitted to falsifying in Galleria's computer system the accounts receivable amounts by a factor of 10 or more times the actual amount purchased to support the exaggerated numbers and hide Galleria's true financial status.

The banks suffered losses of \$4.7 million on the revolving line of credit from October 2008 to July 2009.

This case was investigated by SIGTARP, the Federal Bureau of Investigation, and the United States Secret Service.

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](http://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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