



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

Wednesday, April 9, 2014

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FORMER BANK COLLECTIONS MANAGER SENTENCED FOR ACCEPTING BRIBES

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) today announced that Michael Gesimondo, 57, of Farmingdale, N.Y., was sentenced on Friday to one year of probation to include three months of home confinement, ordered to pay restitution in an amount equal to the proceeds he received from a bribery scam, and fined \$2,000. Gesimondo was sentenced by U.S. District Judge Stefan R. Underhill in federal court in Bridgeport, Conn.

On January 10, 2014, Gesimondo was charged with and pleaded guilty to one count of conspiracy to accept money as a reward in connection with a business transaction of a bank for illegally accepting kickbacks from executives at Oxford Collection Agency (Oxford) while he was employed as a collections manager at Washington Mutual Bank.

“When confronted by federal agents about his role in the \$12 million fraud scheme orchestrated by executives at Oxford Collection Agency, Gesimondo, a former collections manager at Washington Mutual, was cooperative and forthcoming about both his role in and what he knew about the Oxford scam that defrauded a TARP recipient bank,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “Gesimondo’s cooperation with our federal investigation is a perfect example of how coming clean can produce a direct benefit and outcome in a case.”

According to court documents and statements made in court, Oxford was a private financial services company that engaged in accounts receivables management, primarily debt collecting, with offices in New York, Pennsylvania, and Florida. Between 2007 and 2011, Oxford executives engaged in a multi-year scheme to defraud its lender, investors, and clients. The investigation also revealed that Oxford was actively involved in bribing bank officials.

Gesimondo was employed as a collections manager in business banking at Washington Mutual Bank and was in charge of outsourcing collection accounts to collection agencies. Washington Mutual contracted with Oxford to collect debts owed to it by consumers. Between May 2008 and May 2009, Gesimondo received kickbacks from Oxford as a reward for providing Oxford with the bank’s debt collection business, often providing Gesimondo with a percentage of the collected debt amount.

On September 25, 2008, Washington Mutual was closed by federal regulators, and its banking operations were sold to JPMorgan Chase & Co. in a transaction facilitated by regulators. In October 2008, JPMorgan Chase received \$25 billion in taxpayer funds from the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). The TARP funds were repaid in full in June 2009.

Seven other individuals have been convicted as a result of the investigation and prosecution of criminal activity arising from Oxford and its debt collection activities.

This investigation is being conducted by SIGTARP; the Internal Revenue Service - Criminal Investigation; the Federal Bureau of Investigation; and the Connecticut Securities, Commodities, and Investor Fraud Task Force. The case is being prosecuted by Assistant U.S. Attorney Liam Brennan and Special U.S. Attorney John McReynolds.

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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