



# 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**

Friday, December 4, 2015

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## **FORMER PRESIDENT AND CEO OF FAILED TARP RECEIPIENT BANK PLEADS GUILTY TO BANK FRAUD CONSPIRACY**

### **Defendant Hid Past Due Loans from Regulators**

WASHINGTON, DC - Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP) ) and Acting U.S. Attorney G.F. Peterman, III of the Middle District of Georgia announced that a former TARP bank president entered a guilty plea today for his role in a bank fraud scheme in which he is alleged to have hidden underperforming and at-risk loans from the bank and the Federal Deposit Insurance Corporation (FDIC), among others.

Gary Patton Hall Jr., 49, of Tifton, Georgia, pled guilty to one count of conspiracy to commit bank fraud and one count of conspiracy to commit bank fraud and major fraud against the United States before Senior U.S. District Court Judge Hugh Lawson in Macon, Georgia.

According to facts stipulated in the plea agreement, Mr. Hall was the president and Chief Executive Officer of Tifton Banking Company (TBC) from August 2005 until June 2010. During that time, Mr. Hall was engaged in a long running scheme to mislead the bank and its loan committee about loans TBC made to local individuals and businesses. As part of the scheme, Mr. Hall hid past due loans from the FDIC and the TBC loan committee, which resulted in the bank continuing to approve and renew delinquent loans and loans for which the collateral was lacking. Several of the borrowers eventually defaulted on the loans, resulting in millions of dollars in losses to TBC and others.

Mr. Hall also hid his personal and business interests in at least two of the transactions over which he exercised approval authority. For example, in one instance, Mr. Hall approved loans to the buyer of his condominium in Panama City Beach, Florida. In doing so, he made false representations about the loans to TBC's loan committee, and failed to disclose his personal interest in the transaction. When the buyer's loan payments became delinquent, Mr. Hall allegedly hid the loans from both the FDIC and state regulators. Mr. Hall received \$50,000 from the sale of his condominium in this transaction, which was funded in full by an unsecured loan to the buyer approved by him. The buyer eventually declared bankruptcy resulting in a loss of more than \$400,000 to TBC.

Additionally, Mr. Hall admitted to fraudulent representations which led to loan guarantees being issued by the United States Small Business Administration and the United States Department of Agriculture on two separate loans. The guaranteed loans were made by TBC, and guaranteed by the government agencies, to refinance earlier non-performing loans made by TBC. Those guaranteed loans resulted in losses to the bank and the agencies of more than \$2 million.

TBC was closed by the Georgia Department of Banking and Finance in November 2010 due to its poor financial condition. At that time, TBC had not repaid the \$3.8 million it received from the Department of Treasury's Troubled Asset Relief Program.

Mr. Hall faces a potential statutory penalty of ten (10) years imprisonment and a potential fine of up to twice the loss amount, or both. Hall agreed in entering the plea that he owes restitution to the bank and federal agencies in the amount of \$3,931,018 for losses suffered.

"While the taxpayer entrusted Hall, the President and CEO of Tifton Banking Company, with 3.8 million of TARP funds, Hall abused that trust to deceive the banking regulators, the public and the bank's loan committee," said Christy Goldsmith Romero, Special Inspector General for TARP (SIGTARP). "Hall covered up past due loans to mask the poor financial condition of the bank and hid his personal and business interests in loans. His crime directly caused over 3.9 million in losses to the bank and federal agencies. Tifton Banking Company failed in 2010 causing a total loss to the taxpayer of the 3.8 million in TARP funds plus over 50 thousand dollars in missed dividends. SIGTARP and its law enforcement partners will continue to investigate vigorously the financial industry and bankers to bring accountability and justice for TARP-related crime."

Acting United States Attorney G.F. Peterman, III said, "The greed of Mr. Hall and the abuse of the trust placed in him by the Tifton Banking Company and its depositors, investors, and employees, as well as the taxpayers of the United States, has had a deleterious effect on his community and its faith in the banking industry. Others have paid a high price for his misdeeds. Hopefully today's plea of guilty to his crimes can facilitate some degree of healing for those he has harmed. "

The case was investigated by the Special Inspector General for the Troubled Asset Relief Program, the FBI, the Small Business Administration's Office of the Inspector General, the Federal Deposit Insurance Corporation's Office of the Inspector General, the Department of Agriculture's Office of Inspector General and the Tift County Sheriff's Office. The case is being prosecuted by Senior Trial Attorney N. Nathan Dimock of the Criminal Division's Fraud Section and Assistant U.S. Attorney Robert McCullers of the Middle District of Georgia.

### **About SIGTARP**

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