



SIGTARP

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

ADVANCING ECONOMIC STABILITY THROUGH TRANSPARENCY, COORDINATED OVERSIGHT AND ROBUST ENFORCEMENT

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FORMER LOAN OFFICER AT TARP BANK PLEADS GUILTY TO ACCEPTING A GIFT FOR PROCURING LOANS

WASHINGTON, DC – Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Charles M. Oberly, III, United States Attorney for the District of Delaware, today announced that Peter W. Hayes, age 49 of Newark, Del., has pleaded guilty to one count of accepting a gift for procuring loans, in violation of Title 18, United States Code, Section 215. United States District Judge Richard G. Andrews scheduled a sentencing hearing for March 17, 2015.

Hayes, a former relationship manager at TARP bank Wilmington Trust Corp. (“WTC” or the “Bank”), admitted that he purchased two model homes from a large Bank customer (the “customer”) in November 2005 as part of a sale/lease-back arrangement, whereby the customer agreed to pay Hayes and his business partner monthly lease payments in the exact amount of, and to satisfy, their monthly mortgage payments. In March 2008, Hayes and his partner sold the model homes to a third-party for a loss, leaving Hayes with a \$70,000 obligation to his mortgage lender. Hayes ultimately requested a loan from the WTC customer to cover the shortfall. In November 2008, the customer loaned Hayes the necessary funds by issuing him a check from the customer’s operating account at WTC. Hayes repaid the loan in February 2009 by depositing a treasury check directly into the customer’s WTC operating account.

During the four year period in which Hayes had a financial relationship with the customer, Hayes approved millions of dollars in financing for various projects being developed by the customer. As part of his guilty plea, Hayes admitted to making specific funding decisions for the customer that were based on materially false statements and omissions, or were otherwise in contravention of existing loan agreements.

With his guilty plea, Hayes becomes the third former Bank employee to plead guilty to criminal conduct relating to employment at WTC.

“Hayes, a former relationship manager at TARP bank Wilmington Trust, is the third employee to plead guilty to charges stemming from the investigation by SIGTARP and our partners of purported criminal conduct at the bank,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “In today’s plea, Hayes admitted to exchanging favors with a long-time bank customer for his personal benefit. SIGTARP and our law enforcement partners stand united in our commitment to safeguarding TARP on behalf of taxpayers, and perpetrators of crime related to TARP will be brought to justice.”

United States Attorney Oberly said, “It is a serious offense for a bank insider to engage in self-dealing with a client for his own personal benefit. The successful prosecution of Mr. Hayes demonstrates my Office’s commitment to uncover criminal misconduct committed by bank officers, particularly where such activity has the potential to affect the safety and soundness of a financial institution and its shareholders.”

The case was investigated by SIGTARP, the Federal Bureau of Investigation, and the Internal Revenue Service - Criminal Investigation Division. The case is being prosecuted by Assistant United States Attorneys Robert F. Kravetz and Lesley F. Wolf.

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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