



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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DELAWARE DEVELOPER SENTENCED TO ONE YEAR AND ONE DAY IN FEDERAL PRISON FOR BANK FRAUD CONSPIRACY

Defendant Ordered to Pay \$784,568.00 Restitution to TARP-recipient Wilmington Trust Co.

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Charles M. Oberly, III, U.S. Attorney for the District of Delaware, announced yesterday that Salvatore Leone, age 52, of Dover, Del., was sentenced to one year and one day of imprisonment and three years of supervised release for his role in a scheme to defraud TARP-recipient Wilmington Trust Company (WTC). Mr. Leone was also ordered to pay restitution in the amount of \$784,568.00 to WTC.

The sentencing came after Mr. Leone pleaded guilty on October 7, 2013, to one count of conspiracy to commit bank fraud, in violation of 18 U.S.C. § 1349.

Leone was a project manager for and partner with a prominent developer in several limited liability companies formed for the purpose of developing real estate in or around Dover, Delaware. Between September 24, 2007 and February 27, 2009, Leone and others submitted, or caused to be submitted, false draw requests to WTC totaling approximately \$483,568.00. In addition, defendant misappropriated an escalated lease payment totaling \$260,000.00.

“Developer Sal Leone was sentenced to prison for defrauding TARP bank Wilmington Trust out of hundreds of thousands of dollars,” said Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP). “As a construction project manager, Leone fraudulently drew down on bank construction loans by submitting phony invoices for work not performed, duplicate invoices, and false invoices for work performed on other construction projects. Leone diverted Wilmington Trust loan proceeds to fund construction on unrelated projects and into his own pockets. Ripping off a TARP bank is the same as ripping off taxpayers who funded the TARP bailout. SIGTARP commends U.S. Attorney Charles M. Oberly, III for standing united with SIGTARP against bailout-related crime.”

U.S. Attorney Oberly stated, “The sentence handed down by the Court was justified. Mr. Leone defrauded a financial institution out of a substantial sum of money for his personal gain. Today’s sentence reflects accountability for those actions. Those who seek to enrich themselves at the expense of financial institutions and those institutions’ shareholders will be prosecuted by this office and brought to face the consequences of their unlawful actions.”

The case was investigated by SIGTARP, along with the Federal Bureau of Investigation, the Internal Revenue Service Criminal Investigation Division, and the Office of Inspector General, Board of Governors of the Federal Reserve System, and is being prosecuted by Assistant United States Attorneys Lesley Wolf and Robert Kravetz.

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 and co-chairs the Rescue Fraud Working Group. 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 date, SIGTARP investigations have yielded more than 200 convictions and resulted in the recovery of over \$1.5 billion to the Government.

To report suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

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