



**FOR IMMEDIATE RELEASE**

Thursday, December 11, 2014

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

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

## FORMER CHIEF FINANCIAL OFFICER OF TARP BANK CONVICTED OF CONSPIRACY TO MISLEAD AUDITORS

WASHINGTON, DC - Special Inspector General for the Troubled Asset Relief Program Christy Romero (SIGTARP), United States Attorney for the Northern District of California Melinda Haag, Federal Deposit Insurance Corporation Office of the Inspector General Special Agent in Charge Wade Walters, Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau Office of the Inspector General Special Agent in Charge Scott Redington, and Federal Bureau of Investigation Special Agent in Charge David J. Johnson, today announced that Craig S. On, 62, of Berkeley, Calif., former chief financial officer of TARP recipient United Commercial Bank (UCB), pleaded guilty on December 9, 2014, to one count of conspiracy to make a materially false and misleading statement to an accountant.

UCB was a commercial bank headquartered in San Francisco with branch offices located throughout the United States as well as in China and Taiwan. On November 14, 2008, UCB received approximately \$299 million in federal funds through the U.S. Department of the Treasury Troubled Asset Relief Program. Until 2009, the bank's holding company, UCBH Holdings, Inc., was publicly traded on the NASDAQ. On November 6, 2009, UCB was closed by the California Department of Financial Institutions and taken over by the Federal Deposit Insurance Corporation (FDIC).

According to court documents, On, beginning in 2009, together with others, engaged in a conspiracy to deceive UCB's auditors by manipulating the bank's books and records in a manner that misrepresented and concealed the bank's true financial condition and performance and caused the bank to issue materially false and misleading financial statements in violation of 18 U.S.C. § 371. On further admitted that he did not inform UCB's auditors about approximately \$67 million in potential losses from the sale of loans or "notes" held by the bank even though he knew he was required to do so.

The maximum statutory penalty for a conviction for conspiracy, in violation of 18 U.S.C. § 371, is five years in prison and a fine of \$250,000, plus restitution. However, any sentence will be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Assistant U.S. Attorneys Adam A. Reeves and Robert David Rees are prosecuting the case with the assistance of Denise Oki, Phillip Villanueva, and Bridget Kilkenny. The prosecution is the result of a five year investigation by SIGTARP, the FDIC Office of Inspector General, the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau Office of Inspector General, and the FBI.

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).

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at [www.SIGTARP.gov/pages/press.aspx](http://www.SIGTARP.gov/pages/press.aspx). Follow SIGTARP on Twitter @SIGTARP.

###