



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 TARP BANK BRANCH MANAGER SENTENCED FOR CONSPIRACY TO COMMIT BANK FRAUD

WASHINGTON, DC – Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Joyce White Vance, U.S. Attorney for the Northern District of Alabama, today announced that Phillip Owen, 36, of Selma, Ala., a former branch manager at a subsidiary of TARP recipient Superior Bancorp, Inc., was sentenced on October 7, 2014, to six months in federal prison, followed by six months of community confinement as a special condition of five years of supervised release, and was ordered to pay \$217,540 in restitution after pleading guilty to one count of conspiracy to commit bank fraud. U.S. District Court Judge Virginia Emerson Hopkins presided over the hearing which took place in federal court in Birmingham.

According to court documents, Owen was employed by Superior Financial Services (Superior) as a branch manager in Attalla, Ala. From September 2007 and into May 2009, Owen approved and recommended approval of loan applications from bank customers that contained false information. For example, Owen overvalued vehicles that were the subject of loan applications, disbursed loan proceeds to individuals not entitled to such disbursements or involved in the loan transaction, and prematurely released collateral used to secure loans. Owen approved the loans, certified that he had verified the loan applicants' information knowing he had not done so, and recommended that other loans be approved. In exchange for approving the fraudulent loans, Owen was occasionally compensated with narcotics.

Owen caused the bank to issue loans to customers who would not have otherwise qualified and in amounts that exceeded the value of the collateral being pledged. Owen pleaded guilty to his role in the scheme on March 26, 2014. As a result of the scheme, Superior was forced to write off more than \$217,000 in bad loans.

"Owen, while a bank manager for Superior Financial Services, a bank that had been bailed out by taxpayers through TARP and which later failed, paid for his narcotics using bank dollars," said Christy Romero, Special Inspector General for TARP (SIGTARP). "In exchange for his narcotics, Owen approved bank loans knowing that customers had falsified the loan applications, and he often inflated the loans beyond the value of the underlying collateral. Owen's fraud caused the bank to suffer more than \$217,000 in bank losses. TARP was designed to stabilize banks and our financial system during a time of crisis, not to finance crime. SIGTARP and our law enforcement partners will track down those guilty of exploiting taxpayers' TARP investments and ensure that justice is served for their crimes."

In December 2008, Superior Bancorp Inc., of Birmingham, the parent company of Superior Bank and Superior Financial Services, received \$69 million in federal taxpayer funds through the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). The funds were not repaid.

This case was investigated by SIGTARP and the Federal Bureau of Investigation. The case was prosecuted by Assistant U.S. Attorney Russell Penfield.

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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