



SIGTARP

Office of the Special Inspector General
For The Troubled Asset Relief Program

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Media Inquiries: 202-927-8940

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FORMER TENNESSEE COMMERCE BANK EXECUTIVE CHARGED WITH DECEIVING FEDERAL REGULATORS

Lamar Cox, 73, of Franklin, Tenn., former Chief Operating Officer and Board of Directors member of now defunct Tennessee Commerce Bank (TCB), was charged yesterday by felony Information for causing the bank to make a false statement to the Federal Deposit Insurance Corporation, announced Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP) and Jack Smith, Acting U.S. Attorney for the administration of this case. TCB was closed by federal regulators on January 27, 2012, due to its failing financial condition.

According to the Information, Cox devised a scheme to deceive the FDIC by delaying reporting of the full amount of a \$710,000 loss by TCB on the bundled sale of \$4,000,000 in foreclosed properties. Cox sought to delay reporting the full amount of the loss so that TCB's books would look better to federal bank examiners, who were scheduled to soon examine TCB. In order to accomplish the deception, Cox created a pre-planned and fraudulent "posting error," causing TCB to only report \$270,000 of the \$710,000 loss from its sale of the foreclosed properties in the third quarter of 2009. Cox's actions caused TCB to understate its net loss by \$440,000 reported in the Call Report filed with the FDIC for the third quarter of 2009, thus concealing the true financial condition of TCB from shareholders, examiners and the public.

Cox faces up to 30 years in prison, a criminal fine of up to \$1,000,000, and restitution to be determined by the Court. His sentence will be imposed by the Court after consideration of the U.S. Sentencing Guidelines and applicable federal statutes.

An Information is merely an accusation. The defendant is presumed innocent unless and until proven guilty in a court of law.

The case was investigated by the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP); the FDIC Office of Inspector General-Office of Investigations; and the FBI. The United States is represented by Assistant U.S. Attorney Thomas J. Jaworski.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) is a federal law enforcement agency that targets financial institution crime and is an independent watchdog

protecting taxpayer dollars. As of February 2, 2017, SIGTARP investigations have resulted in the recovery of \$10billion to the government and 192 defendants sentenced to prison.

To report a suspected crime related to TARP, call SIGTARP's Crime Tip Hotline: 1-877-744-2009. To receive alerts about reports, audits, media releases, and other SIGTARP news, sign up at www.SIGTARP.gov. Follow SIGTARP on Twitter @SIGTARP.

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