



# 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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## FORMER SENIOR OFFICER AT TARP RECIPIENT WILMINGTON TRUST PLEADS GUILTY TO BANK FRAUD CONSPIRACY

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 Joseph Terranova, a former senior bank official at TARP recipient Wilmington Trust Company, of Wilmington, Del., pleaded guilty today to one count of conspiracy to commit bank fraud. The guilty plea was entered before the Honorable Gregory M. Slee.

According to the criminal information and plea agreement, Terranova, who was employed as Vice President / Division Manager of the Delaware Commercial Real Estate Division of Wilmington Trust, conspired to extend credit to customers of the bank under terms inconsistent with those approved by the bank's Loan Committee, or under terms that would not have been approved had they been presented to the Loan Committee. These included loans extended to Dover real estate developer Michael Zimmerman, who has been charged in a separate indictment. Terranova further conspired to conceal the true financial condition of the bank, in part by extending new loans to clients to enable those clients to keep existing loans current and by causing the bank to misrepresent its reporting of past due and non-performing loans.

Terranova, age 45, is a resident of Newark, Del. He faces a maximum penalty of five years imprisonment and a \$250,000 fine.

"As a senior bank official at TARP recipient Wilmington Trust, Terranova concealed the bank's true financial condition by engaging in 'extend and pretend' schemes to keep loans current and to hide past-due loans from regulators and investors," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Those responsible for fraud related to TARP will be held accountable and brought to justice by SIGTARP and our law enforcement partners."

United States Attorney Oberly said, "Today's guilty plea is an important step in holding responsible those individuals whose criminal conduct contributed to the failure of Wilmington Trust. The bank was a Delaware institution, and its demise came at significant cost, economically and emotionally, to the citizens of this state. We hope that in bringing these charges and securing a conviction, others will be deterred from engaging in similar conduct."

The case was investigated by SIGTARP, 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 Robert Kravetz and Lesley Wolf.

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).

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