



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

Tuesday, February 25, 2014

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FORMER OFFICER OF TARP BANK CHARGED WITH FRAUD IN REAL ESTATE DEAL

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), today announced that David Weimert, 63, of Madison, Wis., was indicted in the Western District of Wisconsin on February 19, and has been charged with six counts of wire fraud involving a real estate development transaction.

The indictment alleges that from December 2008 until March 31, 2009, Weimert, while working at Anchor Bancorp Wisconsin, Inc. (ABCW) as a Senior Vice-President in Lending Administration, and as the President of Investment Directions, Inc. (IDI), a wholly owned subsidiary of ABCW, devised and participated in a scheme to defraud IDI and obtain money by means of fraudulent pretenses.

The indictment alleges that Weimert made material misrepresentations and omissions in an effort to obtain an ownership interest in Chandler Creek, a joint venture partnership formed to develop an industrial park in Round Rock, Texas, and in an effort to obtain a 4% commission fee as part of the sale of Chandler Creek.

The indictment also alleges that Weimert falsely represented to his superiors that the Burke Group, a commercial real estate developer in Costa Mesa, Calif., would purchase IDI's share of Chandler Creek contingent on Weimert purchasing a minority interest of Chandler Creek as part of the deal, when it was Weimert who desired the minority interest for himself, not the Burke Group.

The indictment alleges that as a result of Weimert's misrepresentations and omissions, Weimert induced the IDI Board of Directors to accept the Burke Group's offer to purchase Chandler Creek, along with Weimert receiving a 4.785% ownership interest as part of the deal and a 4% commission fee which totaled \$311,680.

"Weimert, a former SVP in lending at TARP-recipient AnchorBank, is charged with scamming the bank and his superiors in order to pocket more than \$300,000 for himself in a fraud-laced real estate deal," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Weimert purportedly used his position at the bank to convince his superiors that successfully closing an important real estate deal was contingent upon him being granted an ownership stake in the property, which in turn entitled him to a \$311,680 payday at closing. SIGTARP and our law enforcement partners will root out allegations of fraud that risk taxpayers' hard-earned TARP investments and ensure that perpetrators are brought to justice."

In January 2009, Anchor Bancorp Wisconsin, Inc., the parent company of AnchorBank, received \$110 million in federal taxpayer funds through the U.S. Department of the Treasury Troubled Asset Relief Program. In August 2013, the bank filed for bankruptcy reorganization, and as a result, the federal government later suffered a loss of \$104 million on the investment in addition to losing more than \$23 million the bank owed as a result of holding TARP funds.

If convicted, Weimert faces a maximum penalty of 30 years in federal prison on each count of wire fraud. The charges against him are the result of an investigation by SIGTARP and the Federal Bureau of Investigation. Assistant U.S. Attorney Daniel J. Graber is prosecuting the case.

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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