



# 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 TARP BANK SENIOR VICE PRESIDENT SENTENCED TO FEDERAL PRISON FOR BAILOUT-RELATED CRIME

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and John W. Vaudreuil, United States Attorney for the Western District of Wisconsin, today announced that David Weimert, 64, of Madison, Wis., was sentenced on June 16, 2015, by U.S. District Judge James D. Peterson to 18 months in federal prison for wire fraud. Judge Peterson also imposed a \$25,000 fine and a three-year term of supervised release. Weimert, a former senior vice president at TARP recipient AnchorBank, was convicted on April 3, 2015, of wire fraud charges after a five-day jury trial in federal court in Madison.

“Weimert’s significant prison sentence sends a strong message to TARP bankers who commit fraud: SIGTARP and our law enforcement partners will hold you accountable – your crimes won’t pay,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “While AnchorBank applied for and received TARP bailout funds, Weimert devised a sophisticated scheme to defraud the bank by personally pocketing more than \$300,000. Trial evidence proved that Weimert knew what he was doing – he knew it was wrong. To enrich himself, Weimert abused his position as a trusted TARP banker. Weimert hid from other AnchorBank senior officials his true motive and that he wrote himself into the bank’s important real estate deal because he felt he deserved a reward for arranging it. Instead, as trial evidence proved, Weimert lied, insisting again and again that the bank’s counterparties required his participation. Weimert’s lies were convincing. One after another, Weimert’s supervisors and AnchorBank officers testified at his criminal trial that they relied on his misrepresentations and trusted Weimert based on his position as a senior officer at the TARP bank. At trial, Weimert’s lies continued. Even after hearing his former colleagues testify, Weimert took the stand and lied under oath, a fact noted by the judge deciding Weimert’s prison sentence. SIGTARP and our law enforcement partners will continue to root out and stop TARP-related fraud, especially by TARP bankers who commit bailout crime at taxpayers’ expense.”

At the trial, the government showed 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 evidence at trial established that Weimert devised a scheme to defraud IDI by lying and omitting material facts 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 four percent commission fee as part of the sale of Chandler Creek.

As a result of Weimert's misrepresentations and omissions, Weimert induced the IDI board of directors to accept an offer to purchase Chandler Creek, with Weimert receiving a 4.875 percent ownership interest as part of the deal and a four percent commission fee to Weimert, which totaled \$311,680.

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 (TARP). 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.

At sentencing, Judge Peterson found the loss amount for sentencing purposes totaled \$991,680; that Weimert used sophisticated means to conduct the offense; and that Weimert abused a position of trust as president of IDI to engage in self-dealing with IDI's assets. Finally, Judge Peterson found that Weimert willfully obstructed justice by presenting false testimony when he testified at trial.

In imposing the sentence, Judge Peterson told Weimert he committed an extreme act of dishonesty which required significant punishment. Judge Peterson explained that AnchorBank and IDI were entitled to Weimert's loyalty and his criminal scheme reflected an ability to compartmentalize his criminal conduct and bring a different level of morality to his fiduciary duty to his employer.

The charges against Weimert are the result of an investigation by SIGTARP and the Federal Bureau of Investigation. The prosecution of this case is being handled by the U.S. Attorney's Office for the Western District of Wisconsin by Assistant U.S. Attorneys Daniel Graber and Antonio Trillo.

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 and co-chairs the Rescue Fraud Working Group. To learn more about the President's Financial Fraud Enforcement Task Force, 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.

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