



**FOR IMMEDIATE RELEASE**  
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## TENNESSEE BUSINESSMAN SENTENCED TO TWO YEARS IN FEDERAL PRISON FOR DEFRAUDING TARP BANK

*Fraud Caused Pinnacle National Bank to Suffer \$4.8 Million Loss*

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), today announced that on Friday, Joseph D. Wheliss, Jr., of Nashville, Tenn., was sentenced to two years in federal prison, followed by five years of supervised release, after pleading guilty to one count of bank fraud against TARP recipient Pinnacle National Bank ("Pinnacle"), of Nashville, Tenn. Wheliss was further ordered to pay approximately \$4.8 million in restitution and was subject to a \$4.8 million forfeiture order. Wheliss, the owner and operator of National Embroidery Works, Inc., was a banking customer of Pinnacle, which received \$95 million in TARP funds in December 2008. Wheliss was sentenced by United States Chief District Judge William J. Haynes, Jr., in the Middle District of Tennessee.

"When Wheliss defrauded a TARP bank, he defrauded taxpayers," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Wheliss submitted false and forged records for fake assets to obtain loans from TARP recipient Pinnacle National Bank--loans which resulted in losses of approximately \$4.8 million. SIGTARP and its law enforcement partners protect taxpayers by holding accountable criminals who commit TARP fraud."

On November 2, 2011, Wheliss was charged with bank fraud for his involvement in a scheme to defraud Pinnacle. Wheliss admitted that, from approximately 2005 to 2011, he defrauded Pinnacle by submitting false and forged documents to the bank regarding his finances and assets to cause the bank to issue multiple commercial loans to him totaling more than \$5.6 million. In order to obtain commercial loans, Wheliss claimed to be the beneficiary of a trust fund that he at one point valued at nearly \$20 million, and he pledged this "asset" as collateral for the loans. The trust fund did not exist, and Wheliss was not the beneficiary of such a trust. As a result of Wheliss' fraud, Pinnacle suffered a loss of approximately \$4.8 million. On October 5, 2012, Wheliss pleaded guilty to bank fraud.

The case was investigated by SIGTARP, the FBI, and the United States Attorney's Office for the Middle District of Tennessee.

Assistant U.S. Attorney Sandra G. Moses prosecuted 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](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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