



FOR IMMEDIATE RELEASE

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KANSAS CITY-AREA BUSINESSWOMAN CHARGED WITH DEFRAUDING TARP BANK

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Barry R. Grissom, U.S. Attorney for the District of Kansas, today announced that Brenda Wood, 45, of Leavenworth, Kan., was indicted on August 6, 2014, on five counts of bank fraud, one count of theft from an employee benefit program, and four counts of willful violations of the Employee Retirement Income Security Act.

The indictment alleges that the crimes took place while Wood owned several businesses including one in Kansas City, Mo. – Professional Cleaning and Innovative Building Services, Inc. (PCI) – and three in Bonner Springs, Kan. – Action Real Estate Services, LLC; G&W Investments, LLC; and Riverview Crossings, LLC.

The indictment alleges that Wood obtained loans for herself and her companies through Farmers Bank in Overland Park, Kan., by making false representations and submitting falsified documents to the bank. The indictment alleges that:

- Wood obtained a loan on behalf of Riverview Crossings to purchase property in Bonner Springs in part by forging the signature of a second mortgage holder thereby releasing the deed.
- Wood submitted falsified invoices totaling more than \$100,000 to support fraudulent draws on the Riverview Crossings loan.
- Wood obtained a loan on behalf of PCI to buy property in Basehor, Kan., in which she fraudulently inflated the purchase price to make it appear that the loan met the bank's loan-to-value ratio requirements.
- Wood obtained a \$350,000 line of credit in part by fraudulently representing to the lender that her company, PCI, was awarded a contract to provide cleaning services at an Internal Revenue Service building in Kansas City, Mo. In fact, her company was not even a finalist for the contract.
- Wood diverted more than \$200,000 from an escrow account for PCI to her personal account.
- Wood set up a 401(k) plan for PCI and embezzled more than \$30,000 from the plan.
- Wood failed to file annual financial reports for the PCI 401(k) plan.

"SIGTARP special agents, along with agents from DOL-OIG and the FBI, arrested Wood, after our criminal investigation with law enforcement partners uncovered the fraud alleged in the indictment against TARP recipient Farmers Bank & Trust," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Prior to and during the time the bank held TARP funds, Wood allegedly falsified information and fabricated invoices in order to obtain millions of dollars in commercial loans, directed some of the proceeds to her personal bank accounts, and then defaulted on the loans. Fraud perpetrated against a

TARP bank is fraud perpetrated against taxpayers who funded the TARP bailout. SIGTARP and our law enforcement partners will aggressively investigate allegations of fraud related to TARP and ensure that perpetrators are brought to justice.”

In June 2009, Farmers Enterprises, Inc., of Great Bend, Kan., the parent company of Farmers Bank, received \$12 million in federal taxpayer funds through the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). In November 2012, Treasury sold its TARP investment in Farmers Enterprises back to the bank for approximately \$11.5 million, and the bank exited TARP. The bank’s repurchase of the shares at a discount resulted in a principal loss on the TARP investment of approximately \$500,000.

If convicted, Wood faces a maximum penalty of 30 years in federal prison and a fine up to \$1 million on each of the bank fraud charges, a maximum penalty of five years and a fine up to \$250,000 on the charge of theft from an employee benefit program, and a maximum penalty of 10 years and a fine up to \$250,000 on each count of violating ERISA.

This case is being investigated by SIGTARP, the Federal Bureau of Investigation, and the U.S. Department of Labor Office of Inspector General and Employee Benefits Security Administration. The case is being prosecuted by Assistant U.S. Attorney Jabari Wamble of the District of Kansas.

In all cases, defendants are presumed innocent until and unless proven guilty. An indictment merely contains allegations of criminal conduct.

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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