



**FOR IMMEDIATE RELEASE**

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## SON OF BANK OF THE COMMONWEALTH CEO SENTENCED TO EIGHT YEARS IN FEDERAL PRISON FOR MASSIVE FRAUD THAT LED TO COLLAPSE OF THE TARP APPLICANT BANK

*Bank Collapse Largest in Virginia Since 2008 Financial Crisis*

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), today announced that Troy Brandon Woodard, 37, of Norfolk, Virginia, former Vice President and mortgage loan specialist at a subsidiary of defunct Bank of the Commonwealth, was sentenced yesterday to 8 years in federal prison, followed by 5 years of supervised release, for conspiracy to commit bank fraud and three counts of unlawful participation in a loan. Woodard was sentenced by United States District Judge Raymond A. Jackson in the Eastern District of Virginia. The Court further ordered Woodard to pay approximately \$2.4 million in restitution to the Federal Deposit Insurance Corporation and to forfeit over \$4 million in proceeds from the offense.

“Brandon Woodard, Vice President at TARP applicant Bank of the Commonwealth’s mortgage subsidiary and son of bank President and CEO Edward Woodard, felt entitled to create wealth by looting the bank to line his pockets at the expense of shareholders, investors, employees, and the entire Tidewater community which relied on the bank as an important source of lending,” said Christy Romero, Special Inspector General for TARP (SIGTARP). “When faced with the prospect of financial hardship brought by his own risky choices, he repeatedly ran to his father and co-conspirators for his own personal bailouts at the expense of the bank, a bank that had applied for TARP despite fraud on its books including funds that paid for Brandon’s expenses. This culture of corruption and entitlement was pervasive in the bank’s leadership. SIGTARP will not tolerate fraud related to TARP, and along with our law enforcement partners, we will bring to justice those guilty of such offenses to make them answer for their crimes.”

Woodard was found guilty after a ten-week jury trial on May 24, 2013. Evidence presented at trial demonstrated that Troy Brandon Woodard conspired with his father, Edward J. Woodard, the CEO and former Chairman of the Board of the Bank of the Commonwealth, Stephen G. Fields, a former Executive Vice President and Senior Commercial Loan Officer and numerous troubled customers to defraud the Bank of the Commonwealth. Evidence introduced during trial established that Brandon Woodard urged his father to request favors from two of the bank’s largest borrowers, Eric H. Menden and George P. Hranowskyj, in exchange for favorable treatment at the bank. Facilitated by Edward Woodard, Menden and Hranowskyj obtained fraudulent bank loans and increases to existing bank loans to bail out Brandon Woodard’s failed investment properties and to purchase Brandon Woodard’s personal condominium. In the spring of 2010, at the request of Edward Woodard, Menden gave a brown paper bag containing

thousands of dollars in cash to Brandon Woodard. Months later, Menden wrote a check for thousands of dollars to Brandon Woodard.

The evidence further demonstrated that Edward J. Woodard provided preferential treatment to Brandon Woodard to the detriment of the bank. Brandon Woodard convinced his father to pay his personal legal fees related to a failed investment deal from the bank's accounts receivable. Edward Woodard lied to regulators and to his Board to lease the bank's Suffolk branch to a company solely owned by his son and then spent over \$3 million to renovate and construct an extravagant branch on his son's land. Finally, Brandon Woodard received thousands of dollars in illegal commissions for referring commercial loans to the bank.

The investigation was conducted by SIGTARP, the FBI's Norfolk Field Office, IRS-CI, FDIC-OIG, and FRB-CFPB OIG. Assistant United States Attorneys Katherine Lee Martin, Uzo E. Asonye, and Melissa E. O'Boyle prosecuted the case on behalf of the United States.

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.

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