



FOR IMMEDIATE RELEASE

Thursday, January 16, 2014

Media Inquiries: 202-927-8940

Twitter: @SIGTARP

Web: www.SIGTARP.gov

FLORIDA MAN SENTENCED TO 75 MONTHS IN FEDERAL PRISON FOR BANK FRAUD, MONEY LAUNDERING, AND ID THEFT

WASHINGTON, DC - Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Pamela C. Marsh, United States Attorney for the Northern District of Florida, today announced that Lawrence Allen Wright, 46, of Niceville, Fla., was sentenced on Tuesday by Senior Federal District Court Judge Lacey A. Collier to 75 months in federal prison and ordered to pay more than \$3.7 million in restitution.

Wright's sentence is a result of his guilty plea last October to a seven-count Information charging: one count of conspiracy to commit bank fraud, one count of conspiracy to commit money laundering, two counts of bank fraud, one count of mail fraud, one count of aggravated identity theft, and one count of making a false statement to a federally insured financial institution.

"For his crimes and for defrauding one bank while it held TARP funds and two other banks that later needed TARP investments, Wright will spend the next six years in federal prison," said Christy Romero, Special Inspector General for TARP (SIGTARP). "Wright recruited straw borrowers to purchase properties funded by mortgage loans from Countrywide Home Loans - later TARP recipient Bank of America - obtained by submitting false information and inflated income estimates on loan applications. The properties later fell into default because payments were not being made on the mortgage loans. Wright defrauded Regions Bank, which later received TARP, when he caused others to forge his ex-wife's signature on various documents that were then used to obtain a mortgage loan from the bank. Wright defrauded GulfSouth Private Bank, another eventual TARP recipient, when he submitted a HUD-1 form with an inflated payoff estimate to the bank for a property he was purchasing, in order to obtain a larger loan for the property which enabled Wright to pocket nearly \$200,000. When GulfSouth later failed, taxpayers lost their entire \$7.5 million TARP investment in the bank and nearly \$500,000 in past-due dividends. Fraud perpetrated against a TARP bank is fraud perpetrated against the federal taxpayers who funded the TARP bailout. SIGTARP and our law enforcement partners will ensure that justice is served for those guilty of crimes against TARP."

In pleading guilty, Wright admitted to conspiring with other individuals to commit bank fraud and money laundering. As a part of that scheme, Wright solicited individuals to act as straw buyers to purchase unimproved lots located in Walton County, Fla., using loans from Countrywide, so Wright could build homes on the lots. While soliciting the straw buyers, Wright promised to make payments on the fraudulent loans and pay the earnest money deposit and closing costs for the straw buyers. Wright told the straw buyers that he would be able to sell the properties for a profit after he built homes on them and that he would then share a portion of the proceeds with the straw buyers.

In addition to the conspiracy charges, Wright pleaded guilty to defrauding Regions Bank, Beach Community Bank, and GulfSouth Private Bank. Three of the counts concerned Wright causing another individual to sign his ex-wife's name on legal documents without his ex-wife's knowledge or permission. The legal documents included mortgage loan documents, promissory notes, and tax returns.

In September 2009, GulfSouth Private Bank received \$7.5 million in federal taxpayer funds through the U.S. Department of the Treasury Troubled Asset Relief Program (TARP). On October 19, 2012, GulfSouth failed and was closed by state and federal regulators. As a result of the bank's failure, the \$7.5 million in TARP funds was lost, in addition to nearly \$500,000 in missed dividend and interest payments owed by the bank as a result of holding TARP funds.

In total, Bank of America received \$45 billion in TARP funds. The TARP funds were repaid in full in December 2009.

In November 2008, Regions Financial Corporation, the parent company of Regions Bank, received \$3.5 billion in TARP funds. The TARP funds were repaid in full on April 4, 2012.

This case was investigated by SIGTARP, Internal Revenue Service - Criminal Investigation, Federal Deposit Insurance Corporation - Office of Inspector General, and the Okaloosa County Sheriff's Office as part of the Northwest Florida Financial Crimes Task Force.

This case was prosecuted by Assistant U.S. Attorney Tiffany H. Eggers.

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).

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at www.SIGTARP.gov/pages/press.aspx. Follow SIGTARP on Twitter @SIGTARP.

###