



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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WESTCHESTER BUSINESSMAN PLEADS GUILTY TO CONSPIRING TO MAKE FALSE STATEMENTS TO A BANK AND FILING MATERIALLY FALSE FEDERAL TAX RETURNS

WASHINGTON, DC – Christy Goldsmith Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and Preet Bharara, the United States Attorney for the Southern District of New York announced yesterday that Westchester, New York businessman Selim “Sam” Zherka, 47, of Somers, New York, pleaded guilty to conspiring to make false statements to a bank in order to receive millions of dollars in loans and to filing materially false tax returns with the IRS. As part of his plea agreement, Zherka agreed to forfeit \$5.23 million.

From December 2005 through the present, Zherka conspired with others to obtain \$63.5 million in loans from TARP-recipient Sovereign Bank (now Santander), for the purchase and/or refinancing of apartment house complexes in Tennessee by lying about the purchase price of the real estate he was acquiring and the amount of the down payment he was making toward the purchase in question.

Additionally, the superseding information relating to Zherka’s plea charges him with engaging in a five-year-long tax fraud scheme. The Information alleges that Zherka repeatedly submitted fraudulent tax returns to the IRS that overstate depreciation expenses and understated his capital gains for the real estate holding companies in which he was a partner and which, in turn, owned apartment house complexes, thereby reducing their tax liabilities.

Four other individuals have previously pleaded guilty to conspiring with Zherka to commit offenses outlined in Zherka’s plea agreement. The other individuals are awaiting sentencing.

Zherka faces a maximum sentence of five years in prison, based on the conspiracy charge to which he pleaded guilty. He is scheduled to be sentenced later this year in the Southern District of New York.

We commend U.S Attorney Preet Bharara for bringing this case. This case is the product of an investigation by agents of SIGTARP, the Internal Revenue Service Criminal Investigations Division, and the Federal Bureau of Investigation and is being prosecuted in federal court by Assistant U.S. Attorneys Elliott B. Jacobson and Perry A. Carbone and Special Assistant United States Attorney Andrew J. Kameros.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program conducts audits and investigates fraud, waste, and abuse in connection with TARP. As a law enforcement agency, SIGTARP partners with other law enforcement agencies including the U.S. Department of Justice to investigate and support the prosecution of TARP-related crime, including accounting fraud, securities fraud, insider trading, bank fraud, mortgage fraud, mortgage modification fraud, wire fraud, false statements to the government, false entries on bank records, obstruction of justice, and money laundering.

SIGTARP is co-chair of the Rescue Fraud Working Group, part of 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.

To report suspected illicit activity involving TARP, dial SIGTARP at 1-877-SIG-2009 (1-877-744-2009) or visit www.SIGTARP.gov/Pages/crimetips.aspx.

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