

Suspicious Activity Report Initiates Bank Failure Investigation

A Suspicious Activity Report facilitated the investigation of a large bank failure that received national attention due to its size and the related criminal actions. The subject of the investigation, a former loan officer with a bank, initiated a series of nominee loans. He funneled the proceeds of these loans into his own bank account to use to purchase another bank in a different part of the state. Once the former loan officer owned the second bank, he issued a series of nominee loans from the second bank to pay the outstanding loans from the first bank. The subject might have avoided detection had the Suspicious Activity Report not caught the attention of the Federal Bureau of Investigation. The criminal conduct ultimately resulted in the failure of the second bank. The defendant and his accomplices pleaded guilty to a number of counts, resulting in six convictions and over millions of dollars in court-ordered restitution.

(Source: Federal Bureau of Investigation)

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