U.S. Department of Justice
Federal Bureau of Investigation

FINANCIAL INSTITUTION FRAUD UNIT **FINANCIAL CRIMES SECTION**

FINANCIAL INSTITUTION FRAUD AND FAILURE REPORT



FISCAL YEAR 2004

THE FEDERAL BUREAU OF INVESTIGATION
FINANCIAL INSTITUTION FRAUD AND FAILURE REPORT

For Fiscal Year (FY) 2004
Ending September 30, 2004

The Federal Bureau of Investigation's (FBI) mission in the area of financial institution fraud (FIF) is to identify, target, disrupt, and dismantle criminal organizations and individual operations engaged in fraud schemes which target our nation's financial institutions. Additionally, the FBI seeks to identify, undertake, and promote prevention measures, where available, to reduce the opportunity for fraud to take place within the financial institution arena. Within white-collar crimes, FIF investigations are among the most demanding, difficult, and time-consuming cases undertaken by law enforcement. Efforts by the FBI and the Department of Justice have attained extraordinary results since the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.

Areas of primary investigative interest relative to FIF include financial institution failures, insider fraud, identity theft, check fraud, counterfeit negotiable instruments, check kiting, and mortgage and loan fraud. FIF investigations related to emerging technologies and computer-related banking are taking on added significance among the nation's financial institutions.

Since the 1992 peak of the savings and loan crisis, the FBI has been able to refocus its investigative efforts from failed financial institution cases to other high-priority FIF matters. At the close of FY 2004, the total number of pending FIF investigations for the FBI was 5,125. Of this total, 60 failure cases, or less than 1 percent, involved criminal activity related to a failed financial institution. This statistic reflects a 92 percent reduction in failure investigations since the July 1992 peak of 758 cases.

However, as the number of failure investigations has declined, the number of major FIF investigations has remained substantial. As of FY 2004, the FBI was investigating 3,915 major cases, or 76.3 percent of all pending FIF cases.[1] This is significant in view of the fact that convictions related to major case investigations have remained constant since FY 1995, surpassing total convictions for major cases during the 1992 peak.

During the late 1980s and early 1990s, approximately 60 percent of the fraud reported by financial institutions related to bank insider abuse. Since then, external fraud schemes have replaced bank insider abuse as the dominant FIF problem confronting financial institutions. The pervasiveness of check fraud and counterfeit negotiable instrument schemes, technological advances, as well as the availability of personal information through information networks, has fueled the growth in external fraud. In many instances, the international aspects associated with many of these schemes have increased

[1] A major case is defined as an investigation pertaining to a failed financial institution, or where the loss or loss exposure to the financial institution exceeds $100,000.

the complexity and severity in the fraud being committed.

For the period of April 1, 1996, through September 30, 2004, the FBI received 340,781 Suspicious Activity Reports (SARs) for criminal activity related to check fraud, check kiting, counterfeit checks, and counterfeit negotiable instruments. These fraudulent activities accounted for 46.5 percent of the 732,161 SARs filed by U.S. financial institutions (excluding Bank Secrecy Act violations), and equaled more than $9 billion in losses.[2]

The FBI continues to concentrate its efforts on organized criminal groups involved in these activities. These organized groups are often involved in the sale and distribution of stolen and counterfeit corporate checks, money orders, payroll checks, credit and debit cards, U.S. Treasury checks, and currency. Furthermore, the organized groups involved in check fraud and loan fraud schemes are often involved in illegal money-laundering activities in an effort to conceal the proceeds from their crimes.

Criminal activity has become more complex and loan frauds are expanding to multitransactional frauds involving groups of people from top management to industry professionals who assist in the loan application process. These professionals include loan brokers, appraisers, accountants, and real estate attorneys. Such transactions are sometimes hidden against a backdrop of genuine transactions which give them an appearance of legitimacy. Due to the complexity of these crimes, more FIF investigations are being initiated than ever before. These cases target large-scale fraud operations, often involving hundreds of subjects in multiple jurisdictions.

Other fraud matters affecting the nation's financial institutions are being classified and worked by the FBI as Corporate Fraud, Cyber Fraud, and Terrorist Financing. The results of these cases are not included in this report.

The lines between traditional banking services and other financial services now offered by these institutions are fading. As financial institutions become less regulated and provide more financial services to the public through the sale of insurance, securities, investment products, and on-line banking, the nature of FIF will change in terms of the potential impact to the nation’s financial institutions.

The FBI has responded to these trends by providing proactive deterrents to assist the nation’s banking infrastructure in combating FIF. The FBI and the Office of the Comptroller of the Currency published Check Fraud: A Guide to Avoiding Losses, (revised in 1999 by the FBI) to assist financial institutions in identifying check fraud-related schemes. Another publication produced in 2001 by the FBI entitled: “How Financial Institutions Can Help the FBI” can assist financial institutions in preventing and reporting financial crimes as well as bank robberies.

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[2]These statistics are derived from the Suspicious Activity Report database, which is owned by the five Federal banking regulatory agencies, and is maintained by the U.S. Treasury Department's Financial Crimes Enforcement Network.

I. FINANCIAL INSTITUTION FAILURE INVESTIGATIONS AND PERCENT OF INCREASE (DECREASE) FROM PRIOR YEAR

Since February 1986, the FBI has tracked the number of financial institution failure investigations. From a peak of 758 cases in July 1992, failure investigations have steadily declined. Since the 1992 peak, failure investigations have decreased 92 percent. The matrix below illustrates the number of failure investigations and corresponding percentage change by fiscal year.

FISCAL YEAR REPORT DATE	FAILURE INVESTIGATIONS	% CHANGE FROM PRIOR YEAR
7/92	758	– – ––
9/93	651	(-14.1%)
9/94	531	(-18.4%)
9/95	395	(-25.6%)
9/96	247	(-37.5%)
9/97	200	(-19.0%)
9/98	142	(-29.0%)
9/99	129	(-09.1%)
9/00	99	(-23.3%)
9/01	97	(- 2.1%)
9/02	71	(-26.8%)
9/03	67	(-5.6%)
9/04	60	(-10.4%)

The chart and graphs which follow exhibits:

(a) Financial Institution Failure Investigations by Field Office and Category, during FY 2004;

(b) Financial Institution Failure Investigations for 2000 - 2004;

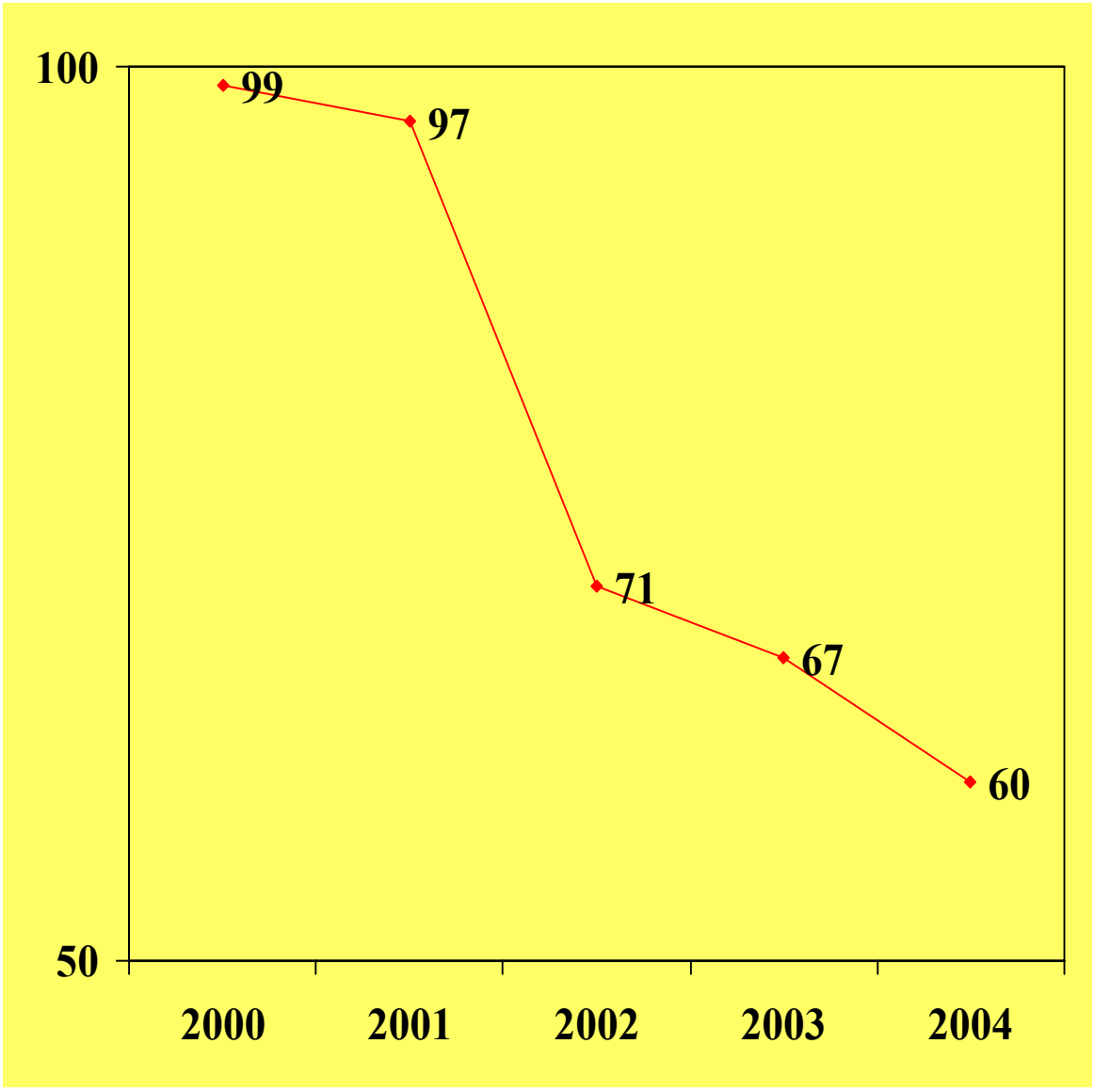
(c) Number of FDIC-Insured “Problem” Institutions for 2000 - 2004; and,

(d) Assets of FDIC-Insured “Problem” Institutions for 2000 - 2004.

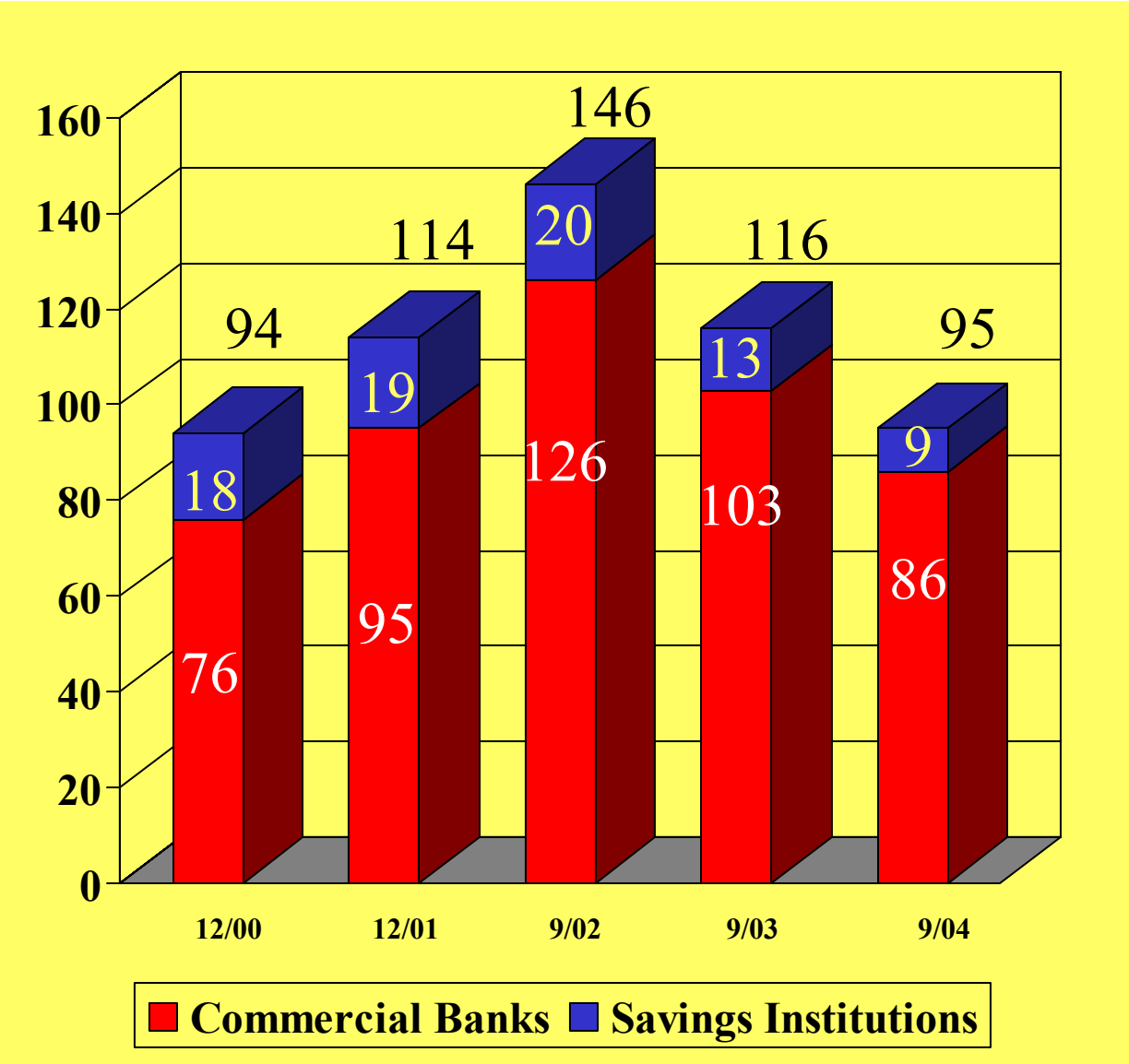
FINANCIAL INSTITUTION FAILURE INVESTIGATIONS
BY FIELD OFFICE AND CATEGORY
FISCAL YEAR 2004

FBI FIELD OFFICE	FAILED BANKS	FAILED S&Ls	FAILED CREDIT UNIONS	TOTAL
ALBANY	1	0	0	1
ALBUQUERQUE	0	0	0	0
ANCHORAGE	0	0	0	0
ATLANTA	0	0	1	1
BALTIMORE	1	0	0	1
BIRMINGHAM	0	0	0	0
BOSTON	2	0	1	3
BUFFALO	0	0	1	1
CHARLOTTE	2	0	0	2
CHICAGO	0	1	0	1
CINCINNATI	0	0	0	0
CLEVELAND	2	0	0	2
COLUMBIA	0	0	0	0
DALLAS	0	0	0	0
DENVER	1	0	0	1
DETROIT	2	0	0	2
EL PASO	1	0	0	1
HONOLULU	1	0	0	1
HOUSTON	0	2	0	2
INDIANAPOLIS	0	0	0	0
JACKSON	1	0	0	1
JACKSONVILLE	1	0	0	1
KANSAS CITY	0	0	0	0
KNOXVILLE	0	0	0	0
LAS VEGAS	1	0	0	1
LITTLE ROCK	0	0	0	0
LOS ANGELES	4	0	1	5
LOUISVILLE	0	0	0	0
MEMPHIS	1	0	0	1
MIAMI	1	1	0	2
MILWAUKEE	1	0	1	2
MINNEAPOLIS	3	0	0	3
MOBILE	0	0	2	2
NEWARK	0	2	0	2
NEW HAVEN	1	0	0	1
NEW ORLEANS	1	2	0	3
NEW YORK	3	1	0	4
NORFOLK	0	0	0	0
OKLAHOMA CITY	0	0	0	0
OMAHA	1	0	0	1
PHILADELPHIA	2	1	1	4
PHOENIX	0	0	0	0
PITTSBURGH	1	0	0	1
PORTLAND	0	0	0	0
RICHMOND	0	0	1	1
SACRAMENTO	0	0	0	0
ST. LOUIS	0	0	0	0
SALT LAKE CITY	1	0	0	1
SAN ANTONIO	2	1	0	3
SAN DIEGO	0	0	0	0
SAN FRANCISCO	0	0	0	0
SAN JUAN	0	0	0	0
SEATTLE	0	0	0	0
SPRINGFIELD	0	0	0	0
TAMPA	0	0	0	0
WFO	0	0	2	2
TOTAL	**38**	**11**	**11**	**60**

FINANCIAL INSTITUTION FAILURE INVESTIGATIONS 2000 – 2004



FDIC - INSURED "PROBLEM INSTITUTIONS" 2000 - 2004

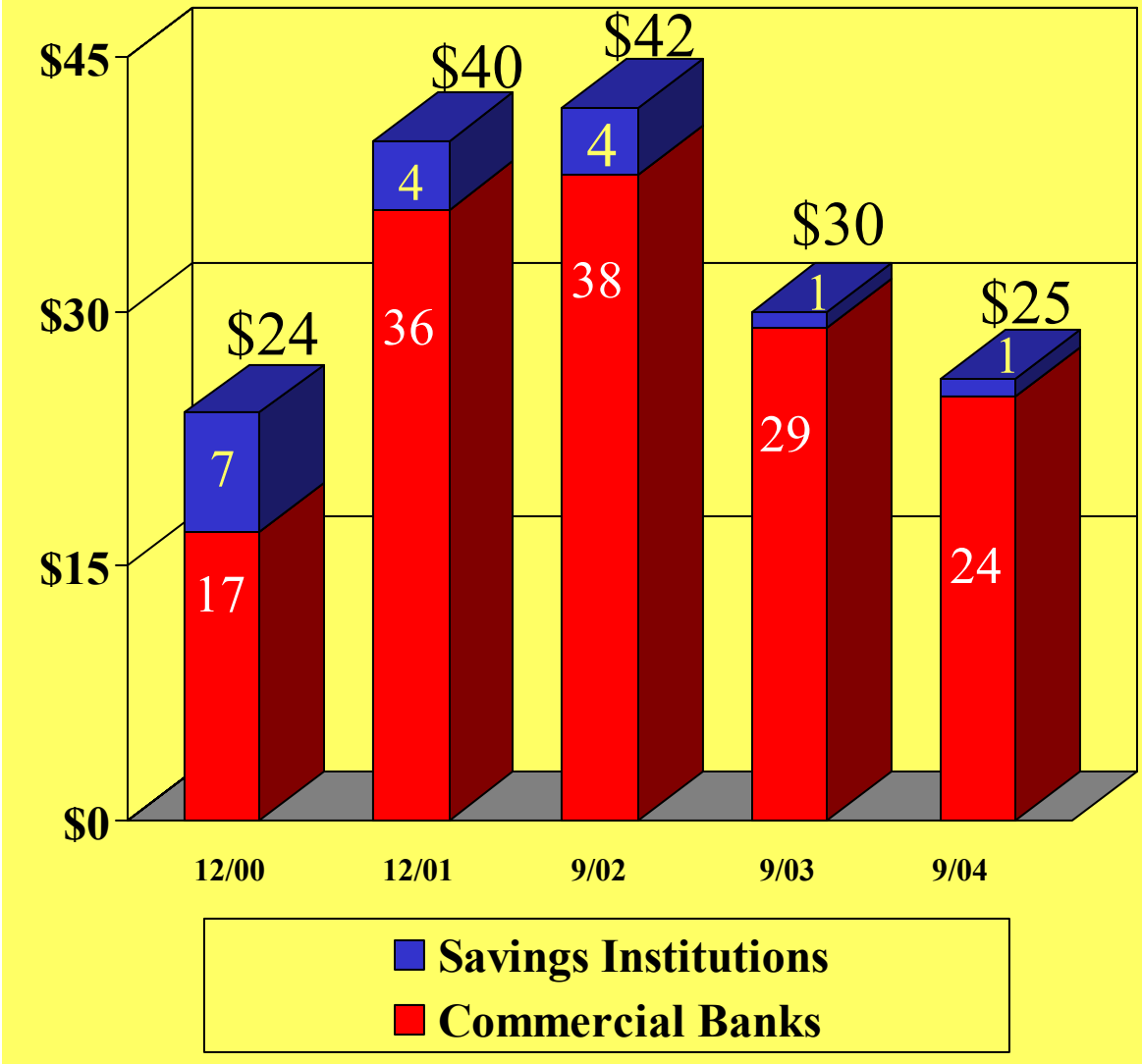


" Problem Institutions" –those with financial, operational, or managerial weaknesses that threaten their continued viability.

Source: FDIC Quarterly Banking Profile through Third Quarter 2004

ASSETS OF FDIC - INSURED "PROBLEM INSTITUTIONS" 2000 - 2004

$ Billions



" Problem Institutions" –those with financial, operational, or managerial weaknesses that threaten their continued viability.

Source: FDIC Quarterly Banking Profile through Third Quarter 2004

II. FINANCIAL INSTITUTION FRAUD AND MAJOR CASES UNDER INVESTIGATION BY THE FBI BY FISCAL YEAR

Following the 1982 deregulation of the savings and loan industry, and in conjunction with more speculative lending practices, the FBI initiated criminal investigations of hundreds of failed financial institutions throughout the United States. Since the July 1992 peak, the number of failure investigations has steadily declined. However, total FIF and major case investigations have leveled off to pre-1992 figures. At the close of FY 2004, the total number of pending FIF and major case investigations continue to exceed levels at the beginning of the savings and loan crisis. The following matrix reflects total pending FIF and major case investigations reported during FY 2000 through FY 2004.

FISCAL YEAR	NUMBER OF PENDING FIF CASES	% CHANGE FROM PRIOR YR	NUMBER OF MAJOR CASES	% CHANGE FROM PRIOR YR	PERCENT MAJOR TO PENDING CASES
2000	8,638	- 1.9%	4,081	+ 5.8%	47.2%
2001	8,184	- 5.3%	4,383	+ 7.4%	53.5%
2002	7,305	-10.8%	4,287	-2.2%	58.7%
2003	5,869	- 19.7%	4,027	- 6%	68.6%
2004	5,125	-12.7%	3,915	-3%	76.3%

The chart and graphs which follow exhibits:

(a) Pending Cases by Institution Type and Major Cases for FY 2004;

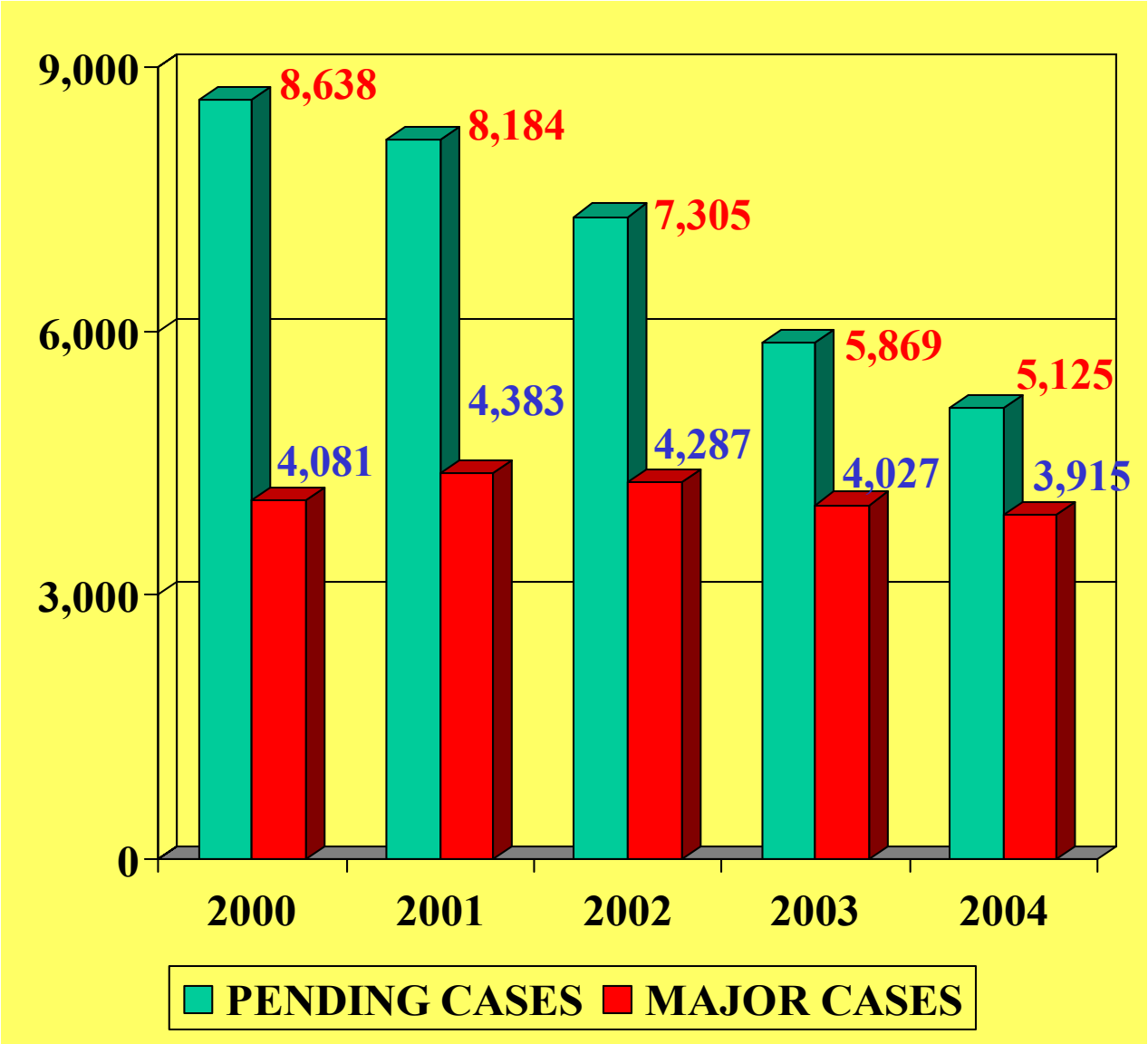
(b) Pending and Major Cases for FYs 2000 - 2004; and

(c) Pending Caseload by Institution Type and Dollar Loss for FY 2004.

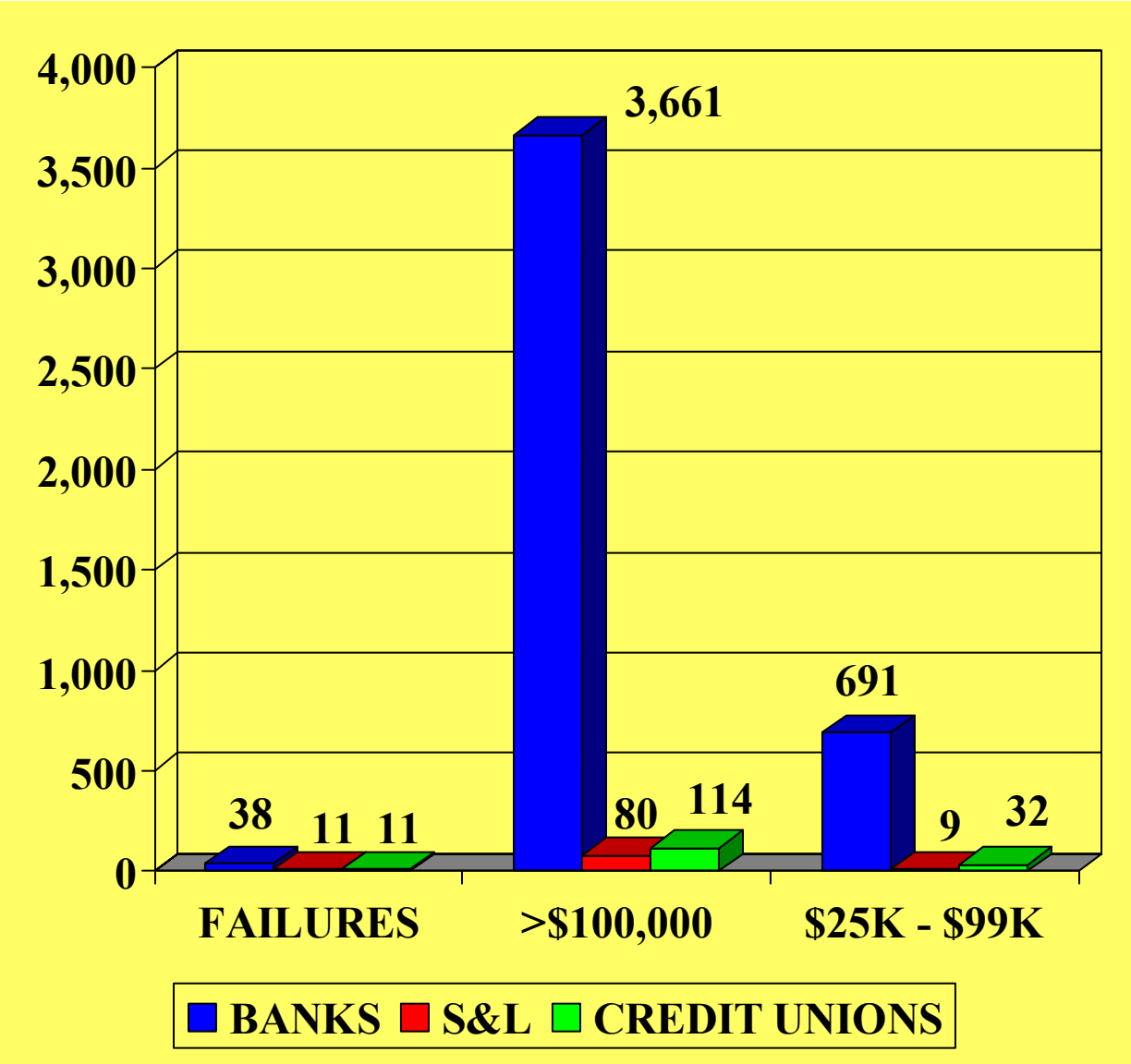
FINANCIAL INSTITUTION FRAUD CASES
BY INSTITUTION TYPE AND MAJOR CASE
(PENDING AS OF SEPTEMBER 30, 2004)

FIELD OFFICE	TOTAL FIF CASES	MAJOR CASES OVER $100,000 NON-FAILURE	BANK FAILURE CASES	S&L FAILURE CASES	CREDIT UNION FAILURE CASES	TOTAL FAILURE CASES	TOTAL MAJOR CASES
ALBANY	58	38	1	0	0	1	39
ALBUQUERQUE	39	15	0	0	0	0	15
ANCHORAGE	14	10	0	0	0	0	10
ATLANTA	126	103	0	0	1	1	104
BALTIMORE	85	72	1	0	0	1	73
BIRMINGHAM	58	45	0	0	0	0	45
BOSTON	89	62	2	0	1	3	65
BUFFALO	29	18	0	0	1	1	19
CHARLOTTE	133	105	2	0	0	2	107
CHICAGO	239	213	0	1	0	1	214
CINCINNATI	159	97	0	0	0	0	97
CLEVELAND	166	110	2	0	0	2	112
COLUMBIA	77	55	0	0	0	0	55
DALLAS	234	199	0	0	0	0	199
DENVER	70	53	1	0	0	1	54
DETROIT	158	104	2	0	0	2	106
EL PASO	28	20	1	0	0	1	21
HONOLULU	68	46	1	0	0	1	47
HOUSTON	86	64	0	2	0	2	66
INDIANAPOLIS	66	56	0	0	0	0	56
JACKSON	52	31	1	0	0	1	32
JACKSONVILLE	37	31	1	0	0	1	32
KANSAS CITY	116	88	0	0	0	0	88
KNOXVILLE	43	27	0	0	0	0	27
LAS VEGAS	34	27	1	0	0	1	28
LITTLE ROCK	68	54	0	0	0	0	54
LOS ANGELES	258	246	4	0	1	5	251
LOUISVILLE	67	46	0	0	0	0	46
MEMPHIS	139	108	1	0	0	1	109
MIAMI	106	94	1	1	0	2	96
MILWAUKEE	96	65	1	0	1	2	67
MINNEAPOLIS	88	65	3	0	0	3	68
MOBILE	47	26	0	0	2	2	28
NEWARK	124	116	0	2	0	2	118
NEW HAVEN	43	36	1	0	0	1	37
NEW ORLEANS	135	79	1	2	0	3	82
NEW YORK	252	221	3	1	0	4	225
NORFOLK	24	22	0	0	0	0	22
OKLAHOMA CITY	91	65	0	0	0	0	65
OMAHA	92	72	1	0	0	1	73
PHILADELPHIA	155	120	2	1	1	4	124
PHOENIX	49	33	0	0	0	0	33
PITTSBURGH	92	61	1	0	0	1	62
PORTLAND	65	31	0	0	0	0	31
RICHMOND	73	45	0	0	1	1	46
SACRAMENTO	39	31	0	0	0	0	31
ST. LOUIS	88	49	0	0	0	0	49
SALT LAKE CITY	79	69	1	0	0	1	70
SAN ANTONIO	73	57	2	1	0	3	60
SAN DIEGO	58	42	0	0	0	0	42
SAN FRANCISCO	66	44	0	0	0	0	44
SAN JUAN	10	7	0	0	0	0	7
SEATTLE	89	49	0	0	0	0	49
SPRINGFIELD	84	62	0	0	0	0	62
TAMPA	67	62	0	0	0	0	62
WFO	144	89	0	0	2	2	91
TOTAL	**5,125**	**3,855**	**38**	**11**	**11**	**60**	**3,915**

PENDING AND MAJOR CASES
2000 - 2004



PENDING CASELOAD BY INSTITUTION TYPE AND DOLLAR LOSS FISCAL YEAR 2004



FAST TRACK = 315 **<$25K IN LOSSES = 163**

TOTAL CASES = 5,125

III. STATISTICAL ACCOMPLISHMENTS FROM FBI INVESTIGATIONS IN FINANCIAL INSTITUTION FRAUD AND FAILURE MATTERS

A. CONVICTIONS/PRETRIAL DIVERSIONS

Total FIF convictions, excluding local convictions, continued to decrease. However, the percentage of convictions in major cases continued to increase. The matrix below is illustrative of this trend.

FISCAL YEAR	NUMBER OF CONVICTIONS*	NUMBER OF MAJOR CONVICTIONS*	% OF MAJOR TO TOTAL CONVICTIONS
2000	2,783	1,394	50.1%
2001	2,702	1,363	50.4%
2002	2,397	1,328	55.4%
2003	2,053	1,286	62.7%
2004	1,728	1,265	73.2%

***** - includes PreTrial Diversions and excludes local convictions.

The charts and graphs which follow exhibits:

(a) Convictions and PreTrial Diversions for FYs 2000 - 2004;

(b) Types of Subjects Convicted During FY 2004;

(c) Total Convictions, “Outsiders vs Insiders" for FYs 2000 - 2004; and

(d) Convictions and PreTrial Diversions by Institution Type and Amount for FY 2004.

FINANCIAL INSTITUTION FRAUD CONVICTIONS AND PRETRIAL DIVERSIONS
(DOES NOT INCLUDE LOCAL CONVICTIONS)

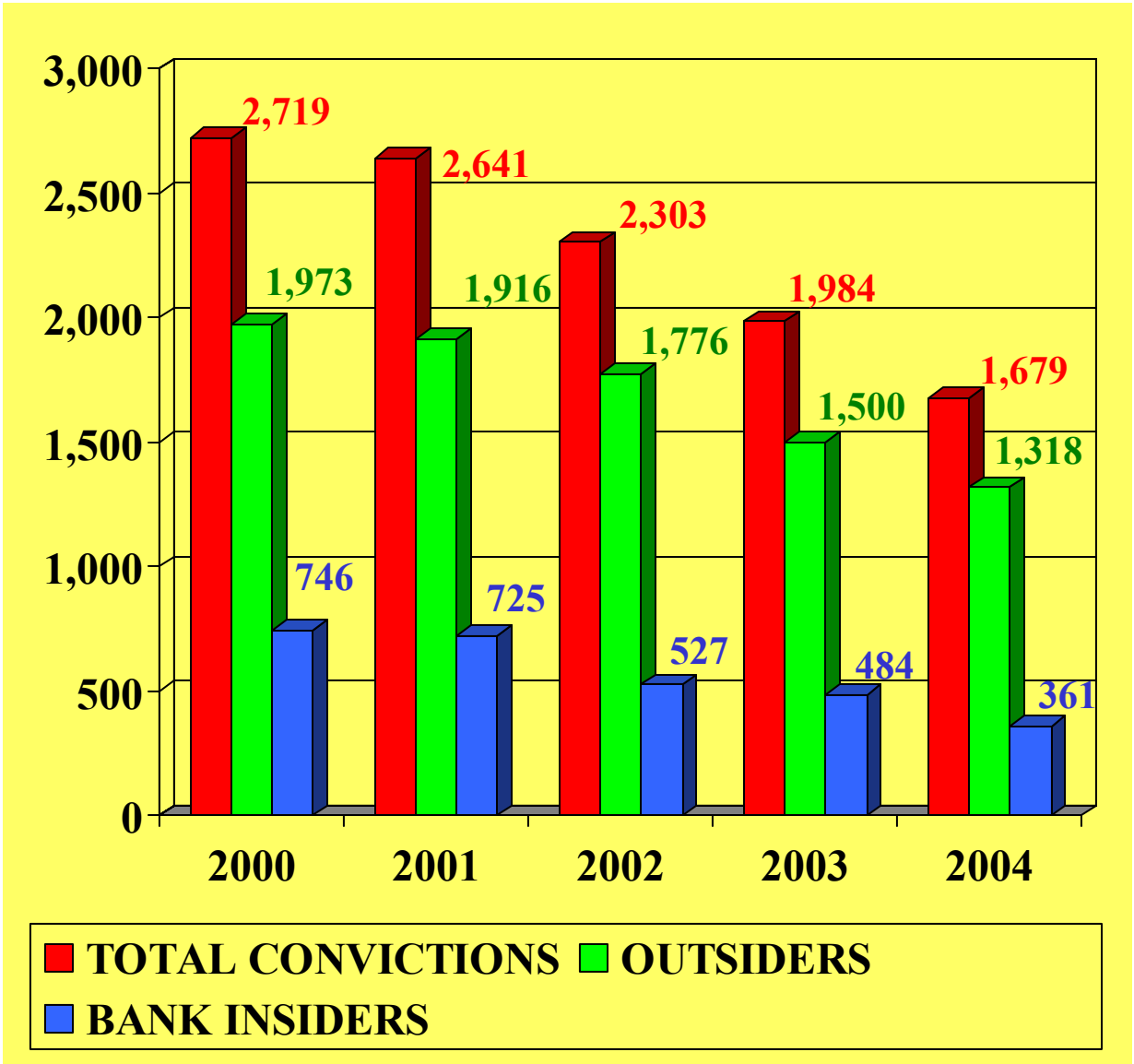
FBI FIELD OFFICE	FISCAL YEAR 2000	FISCAL YEAR 2001	FISCAL YEAR 2002	FISCAL YEAR 2003	FISCAL YEAR 2004
ALBANY	28	27	19	22	20
ALBUQUERQUE	3	4	10	6	7
ANCHORAGE	6	31	8	24	8
ATLANTA	109	77	78	79	64
BALTIMORE	43	36	27	31	31
BIRMINGHAM	31	47	71	38	24
BOSTON	43	58	33	27	13
BUFFALO	29	24	22	17	5
CHARLOTTE	48	39	42	28	48
CHICAGO	74	96	103	88	36
CINCINNATI	40	51	39	47	80
CLEVELAND	105	103	96	151	119
COLUMBIA	36	46	32	36	44
DALLAS	185	141	120	107	84
DENVER	55	42	27	19	25
DETROIT	129	110	93	58	39
EL PASO	7	14	11	2	3
HONOLULU	22	33	27	18	22
HOUSTON	115	84	64	22	16
INDIANAPOLIS	27	25	17	16	10
JACKSON	27	22	25	24	15
JACKSONVILLE	23	15	10	13	14
KANSAS CITY	51	34	29	46	34
KNOXVILLE	26	15	20	17	12
LAS VEGAS	38	32	34	25	11
LITTLE ROCK	36	47	51	32	29
LOS ANGELES	103	67	79	70	47
LOUISVILLE	44	39	37	22	32
MEMPHIS	28	69	70	37	26
MIAMI	56	49	56	31	25
MILWAUKEE	39	52	39	34	23
MINNEAPOLIS	47	42	45	35	28
MOBILE	37	30	29	27	11
NEWARK	47	53	38	28	38
NEW HAVEN	10	15	7	10	22
NEW ORLEANS	52	87	52	65	61
NEW YORK	144	110	141	113	111
NORFOLK	12	42	22	11	19
OKLAHOMA CITY	60	46	42	24	26
OMAHA	31	32	26	23	37
PHILADELPHIA	109	105	83	74	58
PHOENIX	14	7	0	11	8
PITTSBURGH	39	38	31	31	17
PORTLAND	54	32	45	20	21
RICHMOND	49	50	44	35	18
SACRAMENTO	40	42	14	11	10
ST. LOUIS	59	61	58	67	48
SALT LAKE CITY	28	41	42	37	18
SAN ANTONIO	33	51	31	32	17
SAN DIEGO	37	27	31	6	8
SAN FRANCISCO	39	24	11	26	26
SAN JUAN	4	25	12	7	12
SEATTLE	116	77	89	40	45
SPRINGFIELD	44	47	40	54	23
TAMPA	25	23	20	19	26
WFO	47	66	55	60	54
TOTAL	**2,783**	**2,702**	**2,397**	**2,053**	**1,728**

TYPES OF SUBJECTS CONVICTED IN
FINANCIAL INSTITUTION FRAUD CASES
FISCAL YEAR 2004*

SUBJECT TYPE	NUMBER OF SUBJECTS
All Other Subjects	1371
Bank Employee	283
Bank Officer	91
Illegal Alien	29
Legal Alien	18
Company or Corporation	11
Business Manager	3
Top Con Man	2
Boss	1
Federal Employee - GS 12 & Below	1
Federal Law Enforcement Officer	1
International or National Union Officer	1
Local - All Others	1
Office Manager	1
Representative	1
U.N. Employee without Diplomatic Immunity	1

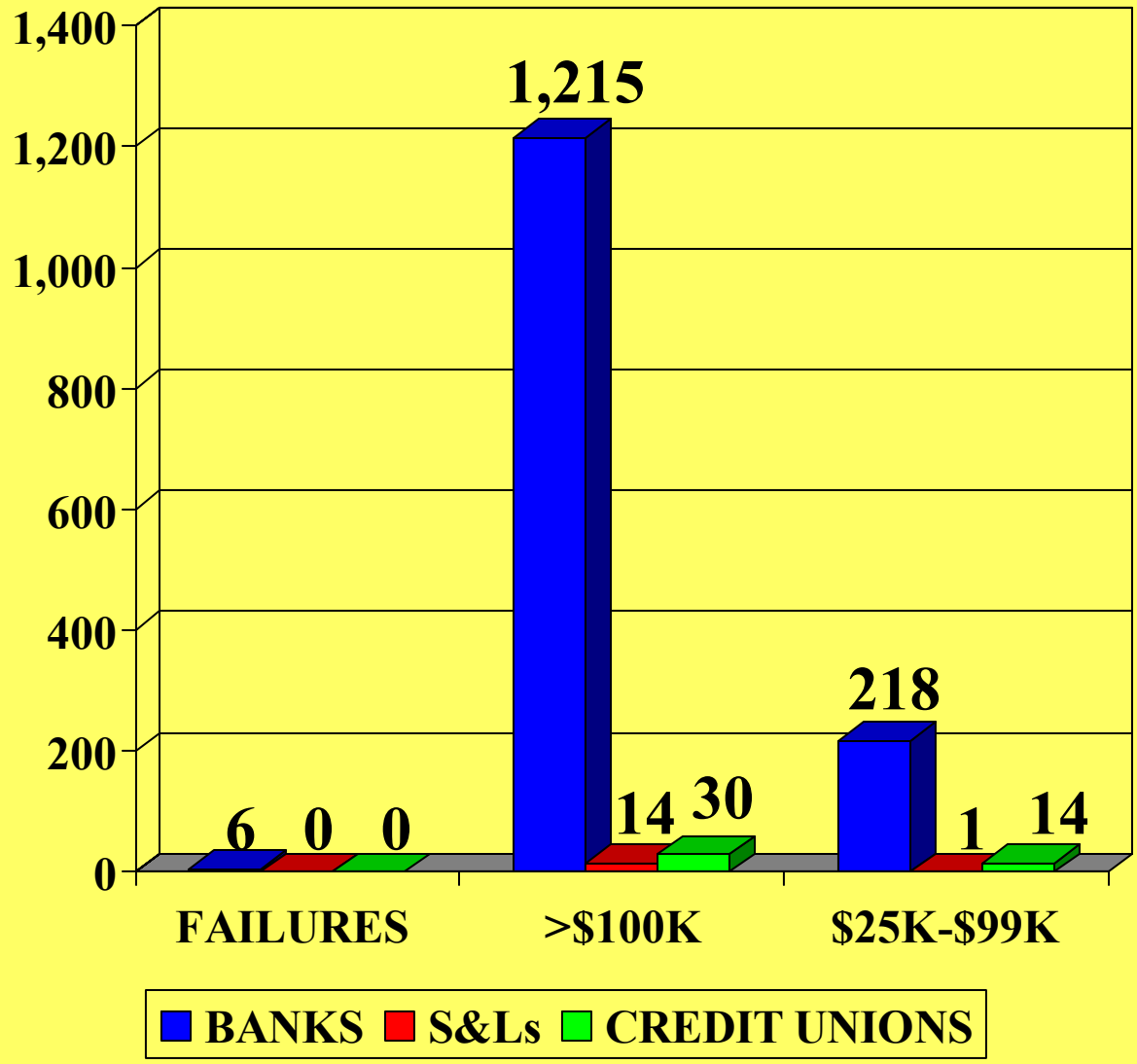
* Does not include PreTrial Diversions or local convictions

CONVICTIONS
"OUTSIDERS VS INSIDERS"
2000 – 2004
(no pretrial diversions or local convictions)



CONVICTIONS & PRETRIAL DIVERSIONS BY INSTITUTION TYPE & AMOUNT FISCAL YEAR 2004

(No State or Local Statistics)



***FAST TRACK = 168** ***<$25K IN LOSSES = 62**

(*NOT TRACKED BY INSTITUTION TYPE)

B. INDICTMENTS AND INFORMATIONS

For FY 2004, the total number of defendants charged by indictment or information decreased 33.8 percent from FY 2003. The following matrix illustrates this trend.

FISCAL YEAR	INDICTMENTS/INFORMATIONS*
2000	2,877
2001	2,738
2002	2,471
2003	1,918
2004	1,822

* Does not include subjects charged in state or local jurisdictions.

The chart and graphs which follow exhibits:

(a) Total FIF Indictments and Informations for FYs 2000 - 2004; and

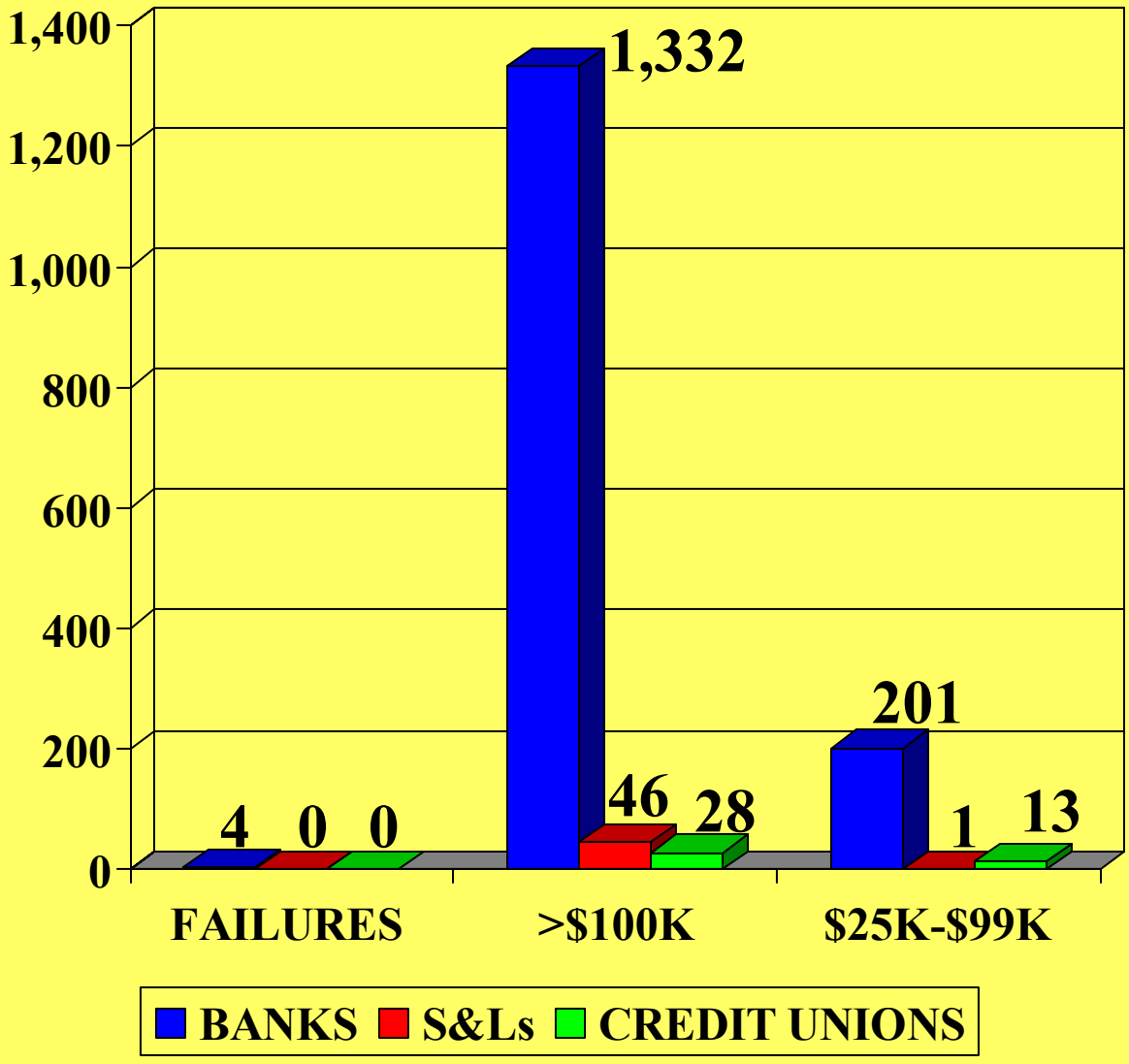
(b) Indictments and Informations by Institution Type and Dollar Loss for FY 2004.

FINANCIAL INSTITUTION FRAUD INDICTMENTS/INFORMATIONS
(DOES NOT INCLUDE LOCAL INFORMATIONS/INDICTMENTS)

FBI FIELD OFFICE	FISCAL YEAR 2000	FISCAL YEAR 2001	FISCAL YEAR 2002	FISCAL YEAR 2003	FISCAL YEAR 2004
ALBANY	38	20	21	20	11
ALBUQUERQUE	5	8	7	5	6
ANCHORAGE	7	32	4	18	11
ATLANTA	94	87	56	71	67
BALTIMORE	54	35	44	45	16
BIRMINGHAM	30	38	78	35	29
BOSTON	49	49	32	25	26
BUFFALO	22	30	11	11	9
CHARLOTTE	46	70	40	22	56
CHICAGO	91	84	122	78	44
CINCINNATI	40	48	41	46	62
CLEVELAND	111	125	203	57	123
COLUMBIA	38	54	40	52	40
DALLAS	189	159	145	112	80
DENVER	46	38	22	24	24
DETROIT	111	84	57	43	63
EL PASO	12	12	7	8	4
HONOLULU	39	32	35	9	26
HOUSTON	130	105	41	32	14
INDIANAPOLIS	26	16	20	10	13
JACKSON	31	38	23	27	19
JACKSONVILLE	27	12	12	16	20
KANSAS CITY	48	39	52	47	32
KNOXVILLE	21	18	21	12	9
LAS VEGAS	45	39	18	23	10
LITTLE ROCK	46	56	32	26	38
LOS ANGELES	130	60	113	49	83
LOUISVILLE	44	39	44	32	24
MEMPHIS	33	81	82	25	38
MIAMI	74	55	55	19	54
MILWAUKEE	40	46	48	33	23
MINNEAPOLIS	57	40	37	38	23
MOBILE	37	23	23	33	10
NEWARK	49	41	52	29	38
NEW HAVEN	6	18	8	14	34
NEW ORLEANS	58	95	35	83	68
NEW YORK	128	115	136	116	123
NORFOLK	19	35	25	12	24
OKLAHOMA CITY	58	49	29	25	28
OMAHA	29	35	21	32	25
PHILADELPHIA	126	79	103	60	55
PHOENIX	5	3	6	26	8
PITTSBURGH	45	44	24	38	9
PORTLAND	46	43	30	26	21
RICHMOND	59	55	29	40	11
SACRAMENTO	42	36	21	7	8
ST. LOUIS	42	39	39	28	38
SALT LAKE CITY	24	47	38	35	20
SAN ANTONIO	34	37	32	33	22
SAN DIEGO	32	27	8	6	6
SAN FRANCISCO	32	27	35	40	14
SAN JUAN	3	30	3	17	15
SEATTLE	113	71	85	23	47
SPRINGFIELD	43	47	52	42	19
TAMPA	33	22	18	28	17
WFO	40	71	56	55	65
TOTAL	**2,877**	**2,738**	**2,471**	**1,918**	**1,822**

INDICTMENTS AND INFORMATIONS BY INSTITUTION TYPE & AMOUNT FISCAL YEAR 2004

(No State or Local Statistics)



***FAST TRACK =144** ***<$25K IN LOSSES = 53**

(*NOT TRACKED BY INSTITUTION TYPE)

C. RECOVERIES, RESTITUTIONS, AND FINES

For FY 2004, statistical accomplishments for recoveries, restitutions, and fines continue to demonstrate the FBI's investigative efforts in addressing FIF. The matrix which follows illustrates actual dollar amounts recovered for FYs 2000 - 2004.

FISCAL YEAR	RECOVERIES	RESTITUTIONS	FINES
2000	48,513,930	588,927,165	8,012,361
2001	45,759,496	754,182,929	15,248,483
2002	28,164,377	1,983,796,156	7,614,787
2003	15,145,174	3,128,016,099	35,642,324
2004	30,561,112	3,132,922,982	18,104,071

The charts and graphs which follow exhibits:

(a) Recoveries by Office for FYs 2000 - 2004;

(b) Recoveries for FY 2004;

(c) Recoveries for FYs 2000 - 2004;

(d) Restitutions by Office for FYs 2000 - 2004;

(e) Restitutions for FY 2004;

(f) Restitutions for FYs 2000 - 2004;

(g) Fines by Office for FYs 2000 - 2004;

(h) Fines for FY 2004; and

(i) Fines for FYs 2000 - 2004.

RECOVERIES
FISCAL YEARS 2000 - 2004

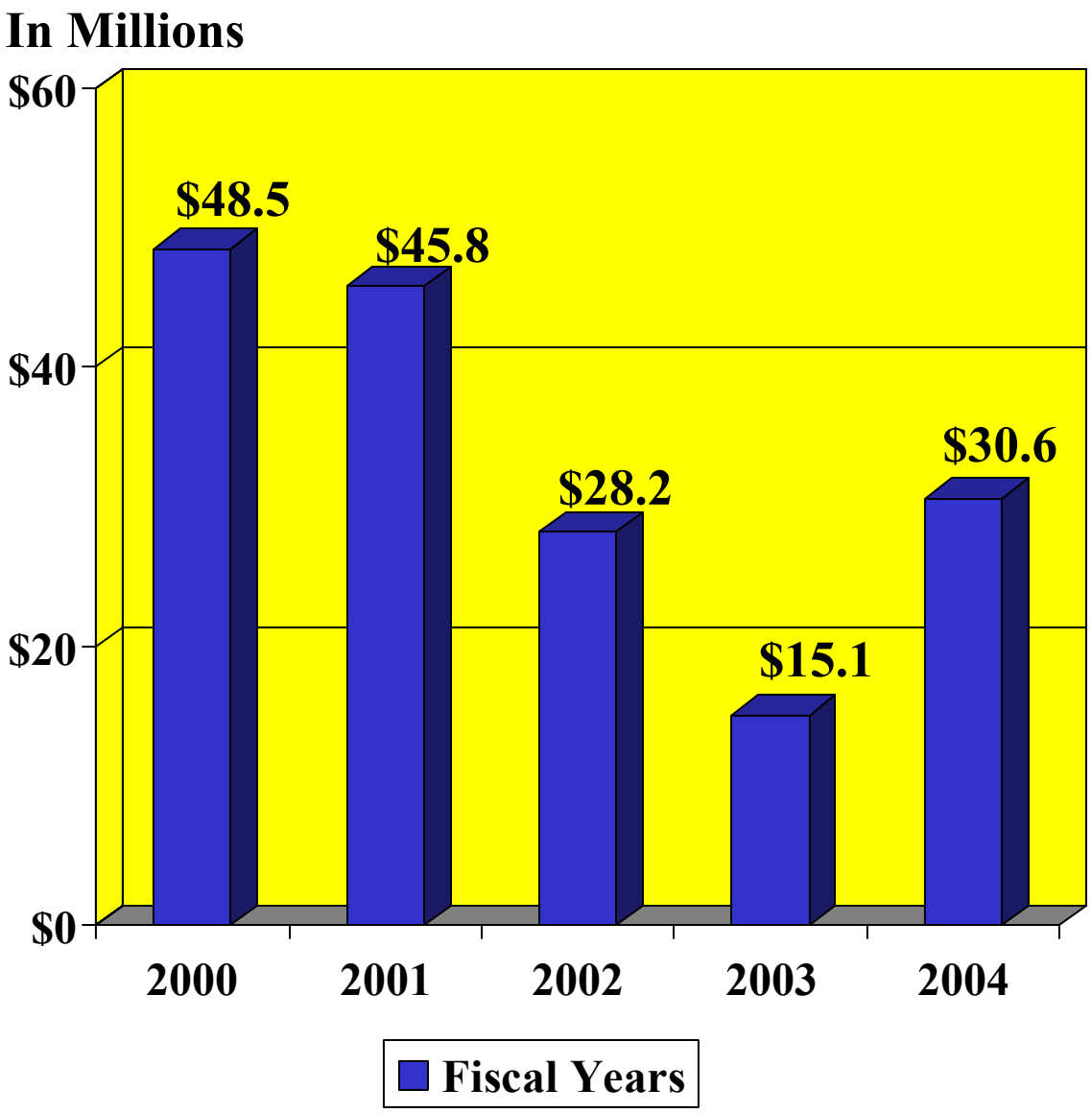
FBI FIELD OFFICE	2000	2001	2002	2003	2004
ALBANY	$73,654	$131,656		$533,000	$265,840
ALBUQUERQUE		$609,099	$361,633		
ANCHORAGE	$25,000		$1,949		
ATLANTA	$327,896	$712,784	$318,658	$21,902	$59,650
BALTIMORE	$243,900	$242,963	$36,900	$187,164	$29,379
BIRMINGHAM	$333,521	$82,915	$61,000	$237,607	$51,342
BOSTON	$788,779	$20,334	$236,086		$240,424
BUFFALO	$2,430,982	$4,450	$8,250		$4,200
CHARLOTTE	$193,000	$3,065,459	$152,462	$242,932	
CHICAGO	$3,470,842	$2,841,700	$290,372	$1,206,647	$2,510,585
CINCINNATI	$7,760,789	$470,738	$65,803	$284,556	
CLEVELAND	$290,599	$165,937	$785,077	$753,099	$175,063
COLUMBIA	$22,723	$304,709	$24,674		
DALLAS	$6,069,730	$4,462,303	$873,644	$893,585	$806,127
DENVER	$25,400	$274,111	$8,714,188		
DETROIT	$128,702	$151,417	$158,566	$2,376,036	$298,923
EL PASO			$102,000		
HONOLULU	$4,258	$3,000	$288,172	$25,669	$1,500
HOUSTON	$471,495	$612,348	$88,505	$51,437	$31,396
INDIANAPOLIS	$190,003	$15,647	$6,185		
JACKSON	$10,000	$65,767			
JACKSONVILLE		$25,532	$10,075	$165,900	$151,836
KANSAS CITY	$1,977,558	$2,400	$167,006	$141,407	
KNOXVILLE	$146,800	$19,720	$3,100	$99,334	
LAS VEGAS	$552,583	$22,850,495			$542,500
LITTLE ROCK	$144,989		$792,900	$11,334	
LOS ANGELES	$38,024	$210,612	$5,210	$130,799	$131,919
LOUISVILLE		$20,524			$63,426
MEMPHIS	$377,880	$114,008	$483,507	$145,763	
MIAMI	$367,210	$82,556	$3,722,589		$95,487
MILWAUKEE	$579,093	$147,825	$744,710	$1,627,969	$24,542
MINNEAPOLIS	$28,400	$28,135	$4,000	$330,075	$70,000
MOBILE	$135,783	$6,020	$39,000	$148,085	$3,430,666
NEWARK	$514,504	$1,383,688	$1,550,531	$55,000	$18,485,902
NEW HAVEN				$658,000	
NEW ORLEANS	$370,261	$425,350	$718,333	$274,646	$57,019
NEW YORK	$16,344,737	$1,663,022	$1,347,872	$51,342	$178,649
NORFOLK	$57,785	$88,787	$23,000	$157,100	$24,435
OKLAHOMA CITY	$3,036,952	$397,335	$1,496,976	$1,315,712	$953,600
OMAHA		$251,334	$2,000		
PHILADELPHIA	$164,406	$657,873	$201,068	$889,917	$14,900
PHOENIX	$9,000		$68,000		$29,593
PITTSBURGH		$162,650			$166,500
PORTLAND		$351,900	$101,183		
RICHMOND	$211,826	$70,451	$8,800	$238,376	$583,538
SACRAMENTO					$435,000
ST. LOUIS	$152,675	$2,400	$1,048,643	$168,476	$2,200
SALT LAKE CITY		$154,252	$17,495	$18,000	$109,067
SAN ANTONIO		$91,088	$2,000		
SAN DIEGO	$126,980	$2,000	$313,808		$417,000
SAN FRANCISCO	$83,635	$283,111			$10,000
SAN JUAN	$33,250		$99,331		
SEATTLE	$40,600	$860,118	$1,928,854	$50,000	$41,722
SPRINGFIELD			$50,000	$216,584	
TAMPA	$104,259	$1,126,558		$1,310,862	$13,937
WFO	$53,467	$42,415	$640,262	$126,859	$53,245
TOTAL	**$48,513,930**	**$45,759,496**	**$28,164,377**	**$15,145,174**	**$30,561,112**

RECOVERIES
FOR FISCAL YEAR 2004

(DOES NOT INCLUDE FAST TRACK AND BELOW $25,000)

	BANKS	SAVINGS & LOANS	CREDIT UNIONS
FAILURES	$57,500	-$0-	-$0-
>100K	$29,222,407	-$0-	$417,000
$25K-$99K	$746,687	-$0-	$4,200

RECOVERIES
2000 - 2004



RESTITUTIONS
FISCAL YEARS 2000 - 2004

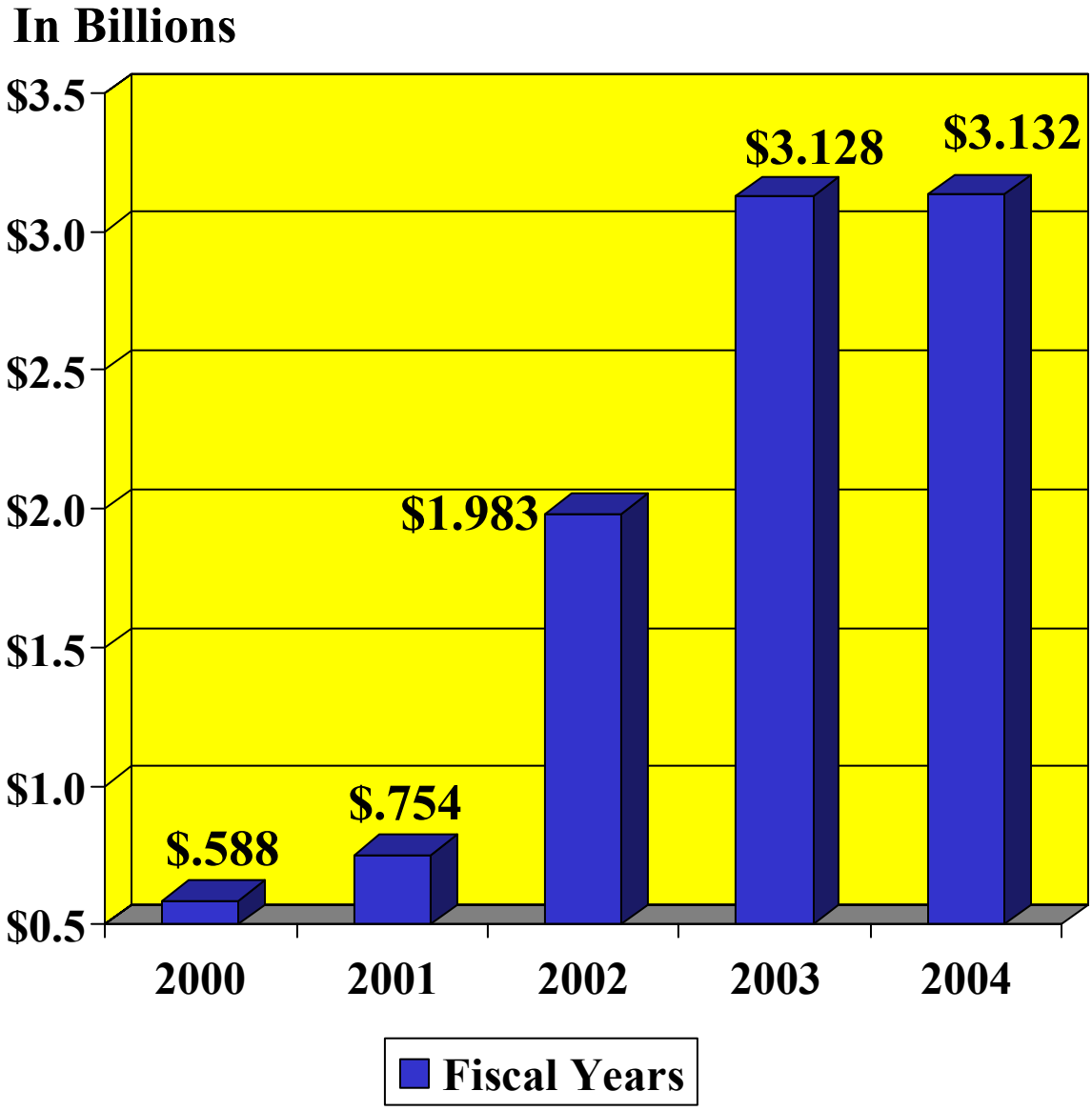
FBI FIELD OFFICE	2000	2001	2002	2003	2004
ALBANY	$2,540,612	$22,598,265	$11,312,507	$944,303	$9,356,717
ALBUQUERQUE		$761,270	$586,106	$2,565,093	$846,070
ANCHORAGE	$506,100	$1,084,178	$499,760	$1,758,633	$965,444
ATLANTA	$99,022,661	$28,405,185	$48,953,228	$273,084,188	$13,431,838
BALTIMORE	$3,154,008	$3,521,279	$18,166,924	$694,701,811	$54,103,859
BIRMINGHAM	$13,841,516	$1,533,885	$21,799,928	$8,285,970	$18,209,471
BOSTON	$23,707,038	$5,061,464	$2,929,969	$2,029,355	$6,082,676
BUFFALO	$986,767	$1,456,097	$302,911	$11,014,194	$18,061,674
CHARLOTTE	$6,613,148	$12,840,558	$12,844,936	$37,809,022	$2,688,851
CHICAGO	$14,628,056	$14,402,620	$31,435,574	$77,143,471	$30,809,210
CINCINNATI	$7,155,530	$2,969,313	$7,488,247	$1,614,786	$67,143,069
CLEVELAND	$4,350,925	$8,807,854	$4,395,079	$60,381,858	$32,315,860
COLUMBIA	$1,605,675	$1,151,879	$6,763,725	$5,209,817	$4,140,206
DALLAS	$46,532,063	$13,213,983	$22,150,376	$26,369,619	$19,217,466
DENVER	$5,277,399	$111,897,964	$2,743,222	$14,952,272	$3,142,330
DETROIT	$12,565,518	$6,526,381	$26,969,365	$10,860,548	$5,648,662
EL PASO	$29,991	$1,485,987	$630,323	$1,257,410	$147,054
HONOLULU	$634,559	$985,213	$4,981,492	$1,505,580	$9,078,900
HOUSTON	$3,945,801	$169,758,548	$15,702,375	$20,088,102	$28,231,008
INDIANAPOLIS	$7,359,956	$3,564,932	$1,920,784	$7,338,419	$6,061,430
JACKSON	$1,703,388	$245,613	$2,963,325	$158,424,141	$287,815
JACKSONVILLE	$5,926,442	$921,258	$712,651	$2,859,555	$1,392,875
KANSAS CITY	$6,655,288	$3,571,000	$2,310,880	$16,835,743	$375,676,323
KNOXVILLE	$3,093,315	$3,753,851	$840,908	$4,399,753	$2,857,922
LAS VEGAS	$1,415,794	$6,620,797	$5,997,581	$2,000,917	$1,949,382
LITTLE ROCK	$2,526,365	$4,847,964	$5,568,148	$15,169,291	$1,561,984
LOS ANGELES	$7,607,312	$25,167,250	$27,912,471	$44,610,084	$43,050,573
LOUISVILLE	$1,332,049	$7,534,820	$3,271,780	$472,095	$22,709,365
MEMPHIS	$5,159,927	$2,140,819	$5,192,691	$10,181,502	$4,995,365
MIAMI	$8,266,800	$18,188,727	$4,550,765	$28,029,624	$555,123,560
MILWAUKEE	$8,354,906	$2,477,262	$67,827,070	$72,501,052	$9,784,033
MINNEAPOLIS	$2,702,742	$31,632,365	$2,412,448	$14,655,008	$26,055,079
MOBILE	$1,402,015	$853,357	$1,739,125	$5,790,465	$1,445,148
NEWARK	$7,975,914	$20,269,442	$5,863,109	$16,217,624	$21,820,014
NEW HAVEN	$5,556,616	$3,443,234	$1,086,471	$1,013,398	$4,057,967
NEW ORLEANS	$16,149,938	$7,546,940	$4,214,036	$3,438,298	$2,015,167
NEW YORK	$124,258,634	$40,323,392	$127,861,261	$122,753,742	$1,600,914,476
NORFOLK	$386,751	$1,341,560	$12,776,212	$5,819,923	$4,443,407
OKLAHOMA CITY	$9,742,679	$12,018,990	$20,034,408	$1,092,842,879	$3,175,628
OMAHA	$1,386,652	$15,016,543	$2,216,090	$18,790,553	$6,819,109
PHILADELPHIA	$27,560,939	$10,761,765	$14,060,819	$17,914,633	$9,846,168
PHOENIX	$1,360,794	$581,061	$1,448,602	$314,357	$656,135
PITTSBURGH	$5,796,378	$5,885,899	$1,343,994,344	$99,271,139	$272,450
PORTLAND	$2,129,837	$74,835,401	$7,177,980	$5,239,573	$770,115
RICHMOND	$4,769,597	$3,320,783	$2,621,984	$5,580,115	$2,692,012
SACRAMENTO	$7,677,294	$1,583,162	$1,183,884	$1,195,146	$1,636,777
ST. LOUIS	$11,496,024	$4,186,514	$2,913,067	$24,030,677	$9,774,691
SALT LAKE CITY	$1,054,738	$927,751	$2,342,030	$8,916,679	$4,852,466
SAN ANTONIO	$5,906,486	$2,991,760	$8,282,163	$8,343,942	$15,900,765
SAN DIEGO	$666,258	$6,733,807	$17,107,309	$1,486,626	$1,963,539
SAN FRANCISCO	$15,109,412	$1,011,118	$1,620,720	$32,684,279	$1,111,624
SAN JUAN	$375,177	$92,590	$620,587	$3,271,368	$14,401,590
SEATTLE	$7,937,440	$7,059,910	$13,762,511	$2,569,620	$5,288,427
SPRINGFIELD	$14,103,727	$3,098,546	$5,627,217	$4,017,072	$811,508
TAMPA	$4,051,445	$5,819,302	$6,566,898	$3,704,793	$4,636,093
WFO	$2,870,769	$5,351,521	$6,537,780	$13,755,982	$38,491,635
TOTAL	**$588,927,165**	**$754,182,929**	**$1,983,796,156**	**$3,128,016,099**	**$3,132,922,982**

RESTITUTIONS
FOR FISCAL YEAR 2004

(DOES NOT INCLUDE FAST TRACK AND BELOW $25,000)

	BANKS	SAVINGS & LOANS	CREDIT UNIONS
FAILURES	$20,408,526	-$0-	$147,574
>100K	$3,045,843,223	$28,235,286	$6,724,579
$25K-$99K	$26,992,399	-$0-	$376,277

RESTITUTIONS
2000 - 2004



FINES
FISCAL YEARS 2000 - 2004

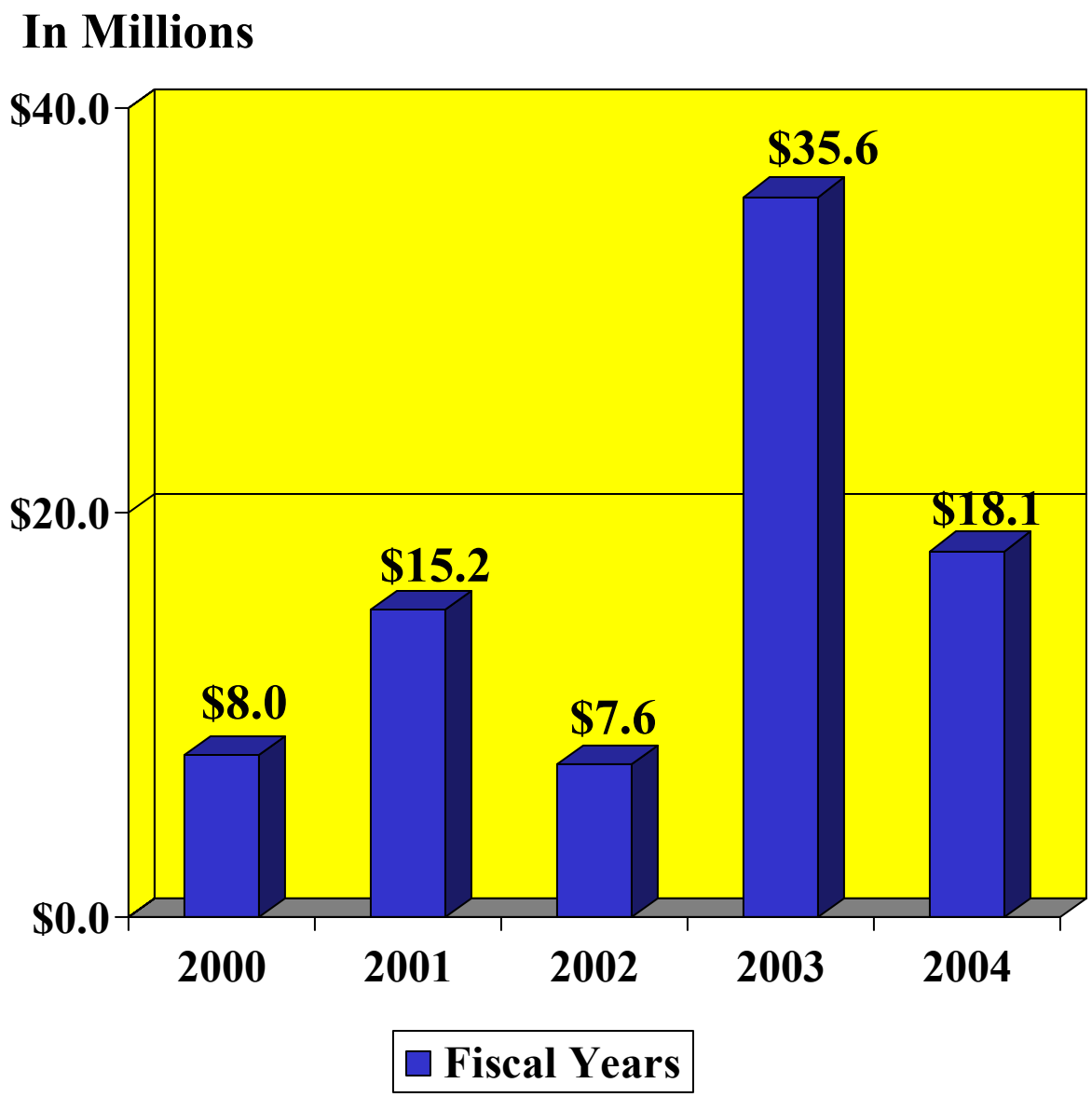
FBI FIELD OFFICE	2000	2001	2002	2003	2004
ALBANY	$18,200	$5,142	$870,668	$182,362	$300
ALBUQUERQUE		$100	$100	$700	$500
ANCHORAGE	$250		$300	$2,950	$18,000
ATLANTA	$56,368	$267,700	$130,295	$68,850	$82,328
BALTIMORE	$760,428	$91,005	$82,900	$835,300	$36,246
BIRMINGHAM	$5,500	$19,950	$8,450	$29,057	$4,750
BOSTON	$32,475	$202,025	$31,528	$210,726	$5,300
BUFFALO	$11,450	$300	$5,424	$850	$4,000
CHARLOTTE	$14,122	$34,987	$2,000	$500	$1,900
CHICAGO	$1,087,850	$96,620	$234,802	$13,850	$749,366
CINCINNATI	$38,885	$7,325	$35,156	$1,750	$11,300
CLEVELAND	$124,600	$54,488	$39,540	$46,372	$34,974
COLUMBIA	$200	$21,550	$61,743	$8,500	$104,131
DALLAS	$319,251	$91,952	$19,430	$139,066	$134,400
DENVER	$14,206	$62,489	$7,050	$331,158	$114,323
DETROIT	$458,445	$338,696	$31,600	$48,751	$25,825
EL PASO	$72,370	$400	$2,000		$5,000
HONOLULU	$3,400	$9,175	$31,175	$5,800	$11,505,619
HOUSTON	$87,035	$65,705	$74,047	$30,100	$958,489
INDIANAPOLIS	$3,925	$7,650	$25,100	$400	$6,300
JACKSON	$465,395	$15,533	$11,076	$29,629	$6,450
JACKSONVILLE	$3,383	$1,200	$122,371	$3,500	$383,250
KANSAS CITY	$8,275	$316,723	$28,995	$1,800	$1,007,100
KNOXVILLE	$36,597	$16,100	$53,700	$850	$950
LAS VEGAS	$16,936	$2,350	$218,752	$2,975	$675
LITTLE ROCK	$13,750	$6,500	$27,268	$113,284	$1,900
LOS ANGELES	$590,054	$10,794,146	$726,666	$3,289,965	$25,500
LOUISVILLE	$3,100	$33,725	$266,472	$15,789	$4,550
MEMPHIS	$5,375	$447,691	$263,854	$383,083	$23,922
MIAMI	$50,000	$29,400	$23,850	$110,000	$26,300
MILWAUKEE	$35,374	$40,080	$7,192	$42,000	$4,507
MINNEAPOLIS	$513,050	$144,782	$1,179,900	$9,975	$3,600
MOBILE	$24,462	$550	$57,982	$2,000	$700
NEWARK	$132,680	$39,150	$805,371	$9,700	$244,826
NEW HAVEN	$5,250	$11,200	$600	$52,300	$6,500
NEW ORLEANS	$36,807	$118,862	$23,010	$128,778	$650,385
NEW YORK	$400,525	$574,050	$63,500	$779,591	$343,323
NORFOLK	$1,700	$26,202	$1,000	$100	$1,000
OKLAHOMA CITY	$184,620	$30,519	$3,125	$262,741	$1,073,509
OMAHA	$13,050	$171,900	$8,800	$39,129	$13,500
PHILADELPHIA	$129,239	$164,404	$52,600	$333,848	$43,600
PHOENIX	$637,585	$13,097		$425	$1,978
PITTSBURGH	$254,094	$151,600	$19,600	$25,523,600	$1,000
PORTLAND	$3,025	$9,100	$500	$2,884	$525
RICHMOND	$137,718	$27,766	$24,600	$13,125	$4,000
SACRAMENTO	$117,375	$5,400	$33,600	$129,000	$100
ST. LOUIS	$69,700	$9,100	$400	$22,485	$55,222
SALT LAKE CITY	$67,945	$13,350	$21,858	$74,034	$87,053
SAN ANTONIO	$520,275	$103,252	$8,450	$10,100	$10,600
SAN DIEGO	$8,160	$12,999	$1,625	$75	$20,569
SAN FRANCISCO	$44,615	$7,800	$1,042,770	$1,954,134	$20,650
SAN JUAN	$500		$631,200	$100	$161,900
SEATTLE	$119,800	$116,925	$123,905	$53,510	$52,063
SPRINGFIELD	$26,500	$394,173	$62,212	$255,950	$7,188
TAMPA	$221,837	$4,050	$2,500	$12,998	$6,875
WFO	$4,650	$17,545	$2,175	$21,825	$5,250
TOTAL	**$8,012,361**	**$15,248,483**	**$7,614,787**	**$35,642,324**	**$18,104,071**

FINES
FOR FISCAL YEAR 2004

(DOES NOT INCLUDE FAST TRACK AND BELOW $25,000)

	BANKS	SAVINGS & LOANS	CREDIT UNIONS
FAILURES	$28,100	$160,500	$1,900
>100K	$15,801,977	$939,912	$11,800
$25K-$99K	$614,539	-$0-	$374,537

FINES
2000 - 2004



D. SEIZURES AND FORFEITURES

Forfeiture provisions were added to the ten banking-related violations in FY 1989. This investigative tool has aided immensely in the effort to address FIF. The matrix which follows demonstrates accomplishments in these areas for FYs 2002 - 2004 and represents actual dollar amounts recovered.

FISCAL YEAR	SEIZURES	FORFEITURES
2002	13,277,362	4,013,342
2003	7,703,435	3,407,971
2004	16,343,881	14,254,838

The chart and graphs which follow exhibits:

(a) Seizures and Forfeitures by Office for FYs 2002 - 2004;

(b) Seizures for FYs 2002 - 2004; and

(c) Forfeitures for FYs 2002 - 2004.

SEIZURES AND FORFEITURES
FISCAL YEARS 2002 - 2004

	SEIZURES			FORFEITURES		
FBI	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR	FISCAL YEAR
FIELD OFFICE	2002	2003	2004	2002	2003	2004
ALBANY	$3,090	$8,725	$999,999	$9,118	$8,300	$999,999
ALBUQUERQUE			$3,175			
ANCHORAGE		$21,607	$157,705			$18,499
ATLANTA		$1,315,000	$28,167	$15,450		$15,000
BALTIMORE	$15,525	$315,000	$111,468		$15,525	
BIRMINGHAM	$146,426			$11,050		
BOSTON	$210,000			$22,200	$210,000	
BUFFALO	$30,000			$30,000		
CHARLOTTE		$326,900	$287,139	$45,301		
CHICAGO	$24,725	$231,695	$384,547			$122,542
CINCINNATI	$420,629	$99,595	$35,625	$1,244	$66,804	
CLEVELAND	$360,463			$585,000		$360,463
COLUMBIA						
DALLAS	$79,535	$68,689	$103,192	$27,000	$57,785	$48,539
DENVER			$74,330	$6,775		
DETROIT	$14,450	$335,943	$199,893	$6,720		
EL PASO				$2,800		
HONOLULU		$243,050	$401,752	$21,275		$38,852
HOUSTON	$310,215	$22,300		$132,696	$123,300	
INDIANAPOLIS			$39,500			$39,500
JACKSON	$21,225		$33,862		$86,992	
JACKSONVILLE	$86,197	$93,614	$783,642	$49,920	$36,277	$99,775
KANSAS CITY	$349,575	$279,659	$54,897	$292,778		$101,117
KNOXVILLE						
LAS VEGAS		$27,611	$1,267,436			
LITTLE ROCK	$1,144,375		$57,450	$304,175		$860,300
LOS ANGELES	$1,159,957	$968,500	$775,000	$646,907	$93,586	$1,646,318
LOUISVILLE						
MEMPHIS				$6,182		
MIAMI	$506,864	$2,891	$25,003	$162,000	$11,440	$383,973
MILWAUKEE						
MINNEAPOLIS			$472,197			
MOBILE	$3,944				$224,125	
NEWARK		$611,188	$3,137,110	$14,520	$128,135	$3,555,928
NEW HAVEN				$4,850		$145,598
NEW ORLEANS						
NEW YORK	$207,506	$1,361,754	$418,933	$72,627	$110,000	$404,354
NORFOLK	$127,775			$146,009	$103,100	
OKLAHOMA CITY	$4,326,185	$2,500	$90,099	$37,875	$81,722	$4,498,189
OMAHA		$512,109			$484,584	
PHILADELPHIA	$46,645		$67,761	$5,650		$260,477
PHOENIX		$90,361				
PITTSBURGH						
PORTLAND	$681,984		$150,450		$681,984	
RICHMOND	$200,000				$200,000	
SACRAMENTO	$25,539		$68,938	$80,304	$16,739	$73,938
ST. LOUIS	$32,000			$32,000		
SALT LAKE CITY					$7,866	
SAN ANTONIO	$5,000			$5,000		
SAN DIEGO	$223,132		$4,687,473	$195,934		
SAN FRANCISCO	$274,913	$20,425		$916,735	$143,872	
SAN JUAN						
SEATTLE	$1,875,683	$473,117		$123,247	$6,375	$290,352
SPRINGFIELD						
TAMPA	$7,000	$15,332	$20,512		$328,029	
WFO	$356,805	$255,870	$1,406,626		$181,431	$291,125
TOTAL	**$13,277,362**	**$7,703,435**	**$16,343,881**	**$4,013,342**	**$3,407,971**	**$14,254,838**

SEIZURES
FOR FISCAL YEAR 2004

(DOES NOT INCLUDE FAST TRACK AND BELOW $25,000)

	BANKS	SAVINGS & LOANS	CREDIT UNIONS
FAILURES	-$0-	-$0-	-$0-
>100K	$15,212,471	$775,000	$218,109
$25K-$99K	$89,620	$13,681	$35,000

FORFEITURES
FOR FISCAL YEAR 2004

(DOES NOT INCLUDE FAST TRACK AND BELOW $25,000)

	BANKS	SAVINGS & LOANS	CREDIT UNIONS
FAILURES	$360,463	-$0-	-$0-
>100K	$13,135,611	$549,209	$118,200
$25K-$99K	$91,355	-$0-	-$0-

E. DISRUPTIONS AND DISMANTLEMENTS

As previously stated, part of the FBI's mission in combating FIF is to disrupt and dismantle criminal organizations engaged in FIF. The matrix which follows demonstrates accomplishments in these areas for FYs 2002 - FY 2004.

FISCAL YEAR	DISRUPTIONS	DISMANTLEMENTS
2002	4	9
2003	19	7
2004	43	28

F. FINANCIAL INSTITUTION FRAUD CASE SUMMARIES

On 09/17/2004, the FBI announced action against individuals in the takedown of the largest nationwide enforcement operation in FBI history directed at organized groups and individuals engaged in financial institution fraud. This initiative, "Operation Continued Action," involved the coordination of 47 FBI field offices, the Criminal Division of the Department of Justice, participating United States Attorney's Offices, federal, state, and local law enforcement agencies and financial institution regulatory agencies that work with the FBI on a daily basis in combating financial institution fraud. Operation Continued Action covered a 30-day period and identified more than 271 subjects in 158 investigations. More than 151 indictments, informations, and complaints were filed. These charges led to more than 144 arrests, convictions, sentences, and millions of dollars in forfeiture and restitution. The cases included in this takedown represented potential losses due to fraudulent activities against financial institutions in excess of $3 billion. The following pages contain cases included in this takedown as well as samples of case summaries the FBI and its law enforcement partners were involved with during FY 2004.

OPERATION CLEAN DEED

On 09/16/2004, informations were filed in U.S. District Court, Western District of North Carolina, charging six individuals with bank fraud for their roles in a multimillion-dollar mortgage fraud. In November 2002, an FBI undercover operation was initiated utilizing a cooperating witness to introduce undercover FBI Agents into seven organizations involved in a multimillion-dollar mortgage fraud ring. Investigation led to the identification of fraudulent loans which exposed financial institutions and mortgage companies to potential losses of $130 million.

REO FLIPWAGON

In December 2003, the FBI initiated an undercover operation to address the massive amount of mortgage fraud in the Jacksonville area. On 09/16/2004, as a result of this investigation, seven search warrants were executed and two arrests were made. Mortgage broker J.R. Parker and closing attorney Dale Beardsley, were arrested via complaint, charging them with bank fraud for their role in this alleged scheme.

JEFFREY GROSSMAN; DONALD GRAUER; dba THE CHURCHILL GROUP

On 09/09/2004, Jeffrey Grossman entered a guilty plea in U.S. District Court and on 08/30/2004, Donald Grauer entered a guilty plea in U.S. District Court to bank fraud charges. Grauer and his business partner Grossman, conducted business as the Churchill Group, operating numerous real estate developments in the Chicago area. It is alleged that in the course of constructing two condominium complexes, they submitted numerous fraudulent vouchers as part of their monthly draw requests to Oak Brook Bank and Fifth Third Bank. Losses due to

their alleged activities exceed $15 million. Both subjects have been charged with bank fraud and false statements.

GERALD SMALL, ET AL;
dba AMERIFUNDING

On 08/25/2004, Gerald Small, Kelli Burkhalter-Small, Charles Winnett, Chad Heinrich, and Robert Sigg were arraigned in U.S. District Court, District of Colorado. These subjects were charged with bank fraud stemming from their alleged roles in a scheme to obtain loans employing stolen identities, and then utilizing these loan proceeds to purchase substandard houses which were used to perpetuate this scheme. Losses attributable to this alleged scheme exceed $19 million.

BRENT BARBER,
dba MIDTOWNE RESTORATION, L.L.C.

On 08/16/2004, Chauncey Joseph Calvert, Aronda Lynn Nicodemus, and Roderick Neil Criss were arraigned in U.S. District Court, Western District of Missouri, for their alleged role in a mortgage fraud ring which utilized straw purchasers to purchase property which was then foreclosed upon. This scenario was repeated approximately 300 times, resulting in losses in excess of $15 million. The alleged leader of this organization, Brent Barber, was arrested by Agents of the FBI, Internal Revenue Service, and the Department of Housing and Urban Development - Office of Inspector General.

ALLIED DEALS, INC.

On 09/09/2004, based upon a provisional arrest warrant obtained following his indictment in the Southern District of New York, Gaya Gayarinth, an attorney for Allied Deals, Inc., was arrested in Bangalore, India. On 08/25/2004, Josielynn Salumbides was sentenced to 63 months in jail and ordered to make restitution in the amount of $683,632,800. Manoj Nijhawan was sentenced to 41 months in jail and ordered to make restitution in the amount of $683,632,800, and Kaushik Amin was sentenced to 18 months in jail and ordered to make restitution in the amount of $2,211,858. This case was initiated based upon information from a syndicate of U.S. financial institutions alleging Allied Deals, Inc., had executed a worldwide fraud scheme through the pledging of fraudulent bills of lading to obtain credit. This scheme resulted in $500 million in losses to U.S. financial institutions, as well as an additional $500 million in losses to financial institutions in the United Kingdom. To date, 14 individuals have been convicted in this matter.

ADAM WEITSMAN

On 09/03/2004, Adam Weitsman was sentenced to one year and one day in prison, and agreed to asset forfeiture of $1 million. Weitsman, the operator of a recycling business in Binghamton, New York, wrote in excess of $1 billion in worthless checks over a 15-month

period to perpetuate a check kite. These checks were deposited by Weitsman at Partners Bank &

Trust, Binghamton, New York, and Community Bank, Olean, New York, as a means of obtaining cash to meet the operational needs of his business.

STEVE MYERS,
dba STEVE MYERS AUTO SALES

On 09/10/2004, Tom Winkle was sentenced to 78 months in prison and ordered to make restitution in the amount of $8,054,000. On 08/23/2004, Myers was sentenced to 60 months in prison and ordered to make restitution in the amount of $8,054,000. Myers, the owner of Steve Myers Auto Sales, teamed with Winkle, the owner of Tom Winkle Chevrolet, to carry out a check kite which resulted in the deposit of more than $495 million in bad checks to banks in the Lima, Ohio, area. This check kiting scheme inflicted losses of approximately $8 million and contributed to the failure of the Oakwood Savings Bank.

DAVID SCHICK

On 08/18/2004, David Schick was sentenced to 97 months in federal prison for his scheme to defraud several banks through a check-kiting scheme. In this scheme, Schick funneled worthless checks through a network of shell corporations he set up. Losses attributable to this scheme were $2.2 million.

RICHARD BURLEY; TIMOTHY CLARK;
KHARY LAWSON; THEODORE WASHINGTON,
aka "CASH MONEY BOYS"

On 09/01/2004, above-captioned subjects were charged in U.S. District Court, Eastern District of Michigan, on bank fraud and conspiracy charges for their alleged roles in an identity theft ring which derived profits of more than $2 million. This indictment was the result of the investigative efforts of the Detroit Metro Identity Fraud Task Force (DMIFTF). The DMIFTF comprises Agents from the FBI, U.S. Postal Inspection Service, United States Secret Service, the Michigan State Police, and several local police departments. Since its inception in 1999, the DMIFTF has accounted for more than 100 convictions for identity theft-related crimes.

PHILIP J. CUMMINGS;
FORD MOTOR CREDIT - VICTIM

On 09/14/2004, Philip J. Cummings, former Telecommunications Data, Inc., technical support representative, pled guilty in U.S. District Court, Southern District of New York, to one count of Title (T) 18, U.S. Code (USC), Section 1343 - Wire Fraud, one count of T18, USC, Section 1028 - Fraud Related to Identification Documents and Information and one count of T18, USC, Section 371- Conspiracy, for his participation in a massive scheme to steal the identities of individuals which defrauded financial institutions of more than $11 million. It was alleged that Cummings stole the passwords and access codes of Ford Motor Credit and other financial companies, to access Equifax, Trans Union, and Experian credit report records and downloaded credit report information on 30,000 individuals. These credit reports were allegedly sold to a group of co-conspirators. To date, this is the largest identity theft case.

RANDY K. MCARTHUR;
DEAN JOHNSON;

BANK OF EPHRAIM - VICTIM

On 09/13/2004, Randy McArthur, Supervisor of Tellers, Bank of Ephraim, Ephraim, Utah, and his associate, Dean Johnson, entered guilty pleas to bank fraud charges for their alleged roles in a $5 million embezzlement scheme which contributed to the failure of the Bank of Ephraim. This embezzlement took place over a 20-year period.

CYNTHIA REYNOLDS; NORTH ISLAND FINANCIAL CREDIT UNION - VICTIM

On 08/20/2004, pursuant to an information, Cynthia Reynolds pled guilty to one count of Title (T) 18, U.S. Code (USC), Section. 657 - Embezzlement, and one count of T18, USC, Section 982 - Criminal Forfeiture, before U.S. Magistrate Judge Jan Adler in the Southern District of California. The plea also directed her to quit-claim her residence to the North Island Financial Credit Union (NIFCU), as funds from the fraud had been used to pay for the residence. Cynthia Reynolds was an employee of NIFCU. As part of her responsibilities, she was authorized to move funds in and out of the NIFCU real estate suspense account. Reynolds embezzled at least $917,713 from that account by transferring money from the suspense account into a relative's account at NIFCU. Reynolds also generated official NIFCU checks drawn on the suspense account and improperly used these checks to purchase vehicles and pay various individuals and businesses for her and her relatives' benefit. Reynolds concealed her activity by making false entries into NIFCU's general ledger system.

BARBARA JANE COWARD UTAH COPPER EMPLOYEE'S CREDIT UNION-VICTIM

On 09/15/2004, Barbara Jane Coward was indicted for embezzling from the Utah Copper Employee's Credit Union (UCECU). Coward was employed as the manager of the UCECU, where she had worked for 54 years. Coward allegedly embezzled approximately $2.4 million from UCECU during a 40-year period, through the creation of fictitious loans.

DECEPTIVE INNSIDER

This case is a $100 million bank and tax fraud investigation against the owners and executive officers of Tollman-Hundley Hotels, formerly the largest franchisee of Days Inn Hotels. It was alleged that Tollman-Hundley had the means to repay approximately $100 million in bank loans, but defrauded the institutions by convincing them that the guarantors of the loans, Stanley Tollman and Monty Hundley were insolvent. They then created and funded a sham third party which bought the loans from the banks at .20 cents on the dollar, defrauding the banks of approximately $80 million. It was further alleged that Tollman family members were hiding

assets derived from unreported income in the Channel Islands. In February 2004, after a three-month trial, four defendants, Monty Hundley, Sanford Freedman, James Cutler, and Howard Zukerman, were convicted of bank fraud, conspiracy, false statements, perjury, and tax charges.

On 03/12/2004, Brett Tollman pled guilty to conspiracy and tax charges and was sentenced on 03/12/2004 to 33 months in prison. This is a joint investigation between the FBI New York - White Plains Resident Agency and IRS-Criminal Investigations.

ROBERT B. CREAMER;
COLE TAYLOR BANK - VICTIM

On 03/10/2004, Robert B. Creamer was indicted in the Northern District of Illinois on 15 counts of Bank Fraud based on three independent check-kiting incidents occurring in 1993, 1996, and 1997, as well as 18 counts of Tax Evasion from 1996 to 2000. Creamer is the former Executive Director of the Illinois Public Action Fund, a not-for-profit public interest company that dealt with a variety of public issues. This case was jointly investigated by the FBI and IRS-Criminal Investigations.

MICHAEL A. LAWSON;
ROBERT E. LAWSON, JR.;
dba LAWSON ROOFING & REMODELING

Michael A. Lawson and Robert E. Lawson, Jr., operated Lawson Roofing & Remodeling (LR&R). LR&R obtained preferred provider status with Allstate Insurance under false pretenses and utilized that status to obtain more than $600,000 in loans from Wells Fargo Bank. The brothers initially utilized the loan funds for the business, but later diverted funds to drug use and other personal uses. On 02/19/2004, Michael A. Lawson and Robert E. Lawson, Jr., were arrested after having been indicted by a Federal Grand Jury on charges of Conspiracy (one count) Bank Fraud (four counts), Mail Fraud (one count), Wire Fraud (one count), Money Laundering (two counts), Felon in Possession of Firearms/Ammunition (two counts), and Illegal Drug User in Possession of Firearms/Ammunition (two counts). On 04/21/2004, the two pled guilty to conspiracy and firearms charges. On the date of his arrest on the bank fraud charges, Robert Lawson was interviewed by the FBI and United States Secret Service. At that time, Lawson admitted to the murder of Bethany Correira, an Anchorage college student, and led investigators to her body. Michael Lawson was arrested on charges relating to that murder on 05/26/2004.

DAVID MALIN;
SBA DEVELOPMENT INCORPORATED - VICTIM

David Malin embezzled approximately $4.9 million from SBA Development Incorporated (SBADI). Malin was the CFO of SBADI, a Las Vegas-area development company. Malin utilized a correctable typewriter to alter company checks that were payable to various development projects, making them payable to himself. Malin would then void the checks in the company check register and later remove the information regarding the checks from the SBADI bank statements. On 06/03/2004, Malin was arrested based on a complaint and arrest warrant. Malin confessed and has subsequently pled guilty to an information.

MARK KOVACK;
JACKSONVILLE SAVINGS BANK - VICTIM

Investigation reveled that from approximately 1995 and continuing through 2001,

Mark Kovack, former Vice President, Branch Manager and Loan Officer at Jacksonville Savings Bank (JSB), converted bank funds to his personal use, initiated nominee loans, and made false entries to conceal the true status of delinquent loans from the Federal Deposit Insurance Corporation and other bank officers. JSB suffered a loss of $1,022,684 attributable to Kovack's fraudulent activity. Kovack was indicted in the Central District of Illinois on 10/01/2003, for violation of Title (T) 18, U.S. Code (USC), Section 1344, Bank Fraud. On 02/27/2004, Kovack pled guilty to one count of T18, USC, Section 1344, Bank Fraud. Kovack is scheduled to be sentenced on 01/28/2005. This investigation is a joint effort by the FBI, IRS-Criminal Investigations, U.S. Postal Inspection Service, and Housing and Urban Development - Office of Inspector General.

GEORGE L. YOUNG;
KATHLEEN MCCONNELL, dba
UNITED LIVESTOCK SERVICES (ULS), L.L.C.;
PROFESSIONAL BUSINESS SERVICES (PBS), INC.;
U.S. BANK, MINNEAPOLIS, MINNESOTA - VICTIM;
FIRST NATIONAL BANK, OMAHA, NEBRASKA - VICTIM

On 05/24/2004, George L. Young and Kathleen McConnell, former principals in ULS, were sentenced by United States District Court Judge Fernando J. Gaitan, Jr., in U.S. District Court, Western District of Missouri (WDM), for their roles in the largest fraud case prosecuted in the WDM. Young was sentenced to nine years' incarceration to be followed by five years of supervised release, while McConnell was sentenced to seven years and three months' imprisonment, also to be followed by five years of supervised release. Each individual was also ordered to make restitution in the amount of $182,981,100. These defendants entered guilty pleas to two counts of Mail Fraud, one count of Wire Fraud, one count of False Statements to the U.S. Department of Agriculture (USDA) (T15, USC, Section 2) and one forfeiture count in the amount of $24,534,320.

The FBI, along with members of the USDA-Grain Inspectors, Packers & Stockyards Administration, and Special Agents from the Office of Inspector General-USDA jointly investigated this complex fraud case involving 125 victim investors, multiple judicial districts, and 38 victim financial institutions.

JEAN PIERRE HARPER,
aka JOHNNY HARPER;
ET AL;
COMPASS BANK;
BIRMINGHAM, ALABAMA - VICTIM

On 02/09/2004, Jean Pierre Harper, a former Compass Bank (CB) Vice President, was sentenced by Judge Inge Johnson, U.S. District Court, Northern District of Alabama, to 46 months' confinement, three years of supervised release, and restitution in the amount of $4,298,385.10. On 10/29/2003, Harper pled guilty to one count of conspiracy to commit bank fraud and bank bribery. Harper, acting in his position at the bank, allowed a telemarketing scheme to defraud CB of approximately $10 million. A Federal Grand Jury indicted Harper in August 2002. After being indicted, Harper fled across the U.S. border into Mexico and later to Costa Rica where authorities arrested him in May 2003. It was alleged that Harper accepted

bribes from questionable telemarketers, many from Nevada, to process credit card charges at CB's credit card processing center. Such actions violated bank policy.

This case was investigated jointly by the FBI and United States Secret Service.

ELIE ABBOUD;
MICHEL ABBOUD;
NATIONAL CITY BANK (NCB) - VICTIM;
PARK VIEW FEDERAL (PVF) - VICTIM

Investigation determined Elie Abboud and his brother, Michel Abboud, engaged in a pattern of manufacturing false and fraudulent information to artificially inflate their account balances at National City Bank and Park View Federal Bank. This scheme resulted in these two financial institutions absorbing a combined loss of $2.7 million. On 07/13/2004, Elie Abboud and Michel Abboud were sentenced to 97 months in federal prison by U.S. District Court Judge John M. Manos, U.S. District Court, Northern District of Ohio, for their convictions on money laundering, bank fraud, and conspiracy charges. Following a two-week jury trial in February 2004, the Abboud brothers were convicted on all 70 counts of the indictment that alleged they had orchestrated a massive check kite to obtain cash to operate their businesses.

DAVID ALAN WOLF;
BEVERLY HILLS BAR ASSOCIATION - VICTIM

David Alan Wolf was employed by the Beverly Hills Bar Association (BHBA) as its Controller/Director of Administration. Wolf embezzled funds by making checks payable to himself and depositing them into his account. Wolf forged signatures on the checks or deceived other employees into signing them as Wolf did not have signatory authority on the account. On occasion, he would embezzle checks that had been pre-signed by an employee that was going out of town. Wolf utilized the funds to feed a gambling habit. The total amount embezzled was approximately $800,000. On 06/15/2004, Wolf plead guilty to three counts of violating Title 18, U.S. Code, Section 513 (Forgery of a Security). On 08/30/2004, Wolf was sentenced to 33 months in prison.

SAJID HUSSAIN, ET AL;
BANK UNITED - VICTIM

Sajid Hussain, a commercial real estate broker, operated a company called Certified Commercial Real Estate. Hussain recruited individuals to assist him in the perpetration of multiple, fraudulent land flips involving convenience stores. As part of the scheme, it was alleged that Hussain recruited Middle Eastern borrowers to purchase convenience stores with no money down. This scheme resulted in false statements by borrowers regarding their personal assets as well as the amount of equity (down payment) they would pay during the convenience store purchase. Banks and the Small Business Administration (SBA) approved loans to the purchasers based on these false representations. Bank United (BU) and the SBA loaned millions of dollars to borrowers that worked with Hussain as their broker. There were indications that the scheme was so well known in the Middle Eastern community that honest brokers could not complete legitimate transactions that required borrowers to pay the down payment.

These land transactions were actually land flips, where the value of the property was fraudulently inflated through multiple sales for the purpose of obtaining financing at the inflated value. Washington Mutual Bank, which purchased BU, lost $9 million on a single flip transaction by Hussain. Hussain conducted numerous flip transactions with SBA loans totaling well over $100 million. Hussain conspired with Matt Hassan, who was the middle buyer or facilitator in the land flips. Hussain personally benefitted by receipt of millions of dollars from the transactions in the form of brokerage fees, referral fees, payments to shell companies, and the payments of funds to co-conspirators. The investigation has led to the convictions of Hassan and Hussain, as well as the indictment of four co-conspirators. The investigation was conducted jointly with the SBA and U.S. Department of the Treasury.

GARY PETER WILLIAMS, ET AL;
UNION BANK - VICTIM

This case involves a forgery/identity theft ring, which is believed to have been in operation in the Seattle area since 2000. The Seattle Police Department (SPD) initiated the case, and it currently involves investigators from the SPD, Social Security Administration, U.S. Postal Inspector, and the FBI. The forgery/identity theft ring began operation by opening bank accounts at U.S. Bank using fake or stolen identities. They deposited counterfeit checks and withdrew the funds before the checks were returned, using check cashers or "runners." The scheme expanded to involve a number of Seattle-area banks, to include account takeovers of legitimate accounts as well as opening of fraudulent accounts. The group also opened credit card accounts at a number of retailers, using the stolen identities to establish the accounts. Once opened, the suspects purchase articles and return them for cash, purchase gift cards, and take cash advances at area casinos.

Runners allegedly provided their photos to Gary Peter Williams, who sent the photos with identifying information to contacts in Los Angeles via Federal Express and United Parcel Service. Those contacts then allegedly returned the fraudulent driver licenses and identification cards to Williams in Seattle, who had one of his runners pick up the package. Williams, along with his girlfriend Monica R. Jones, is alleged to have directed the runners in their activities, taking two-thirds of the profits while the runners kept one-third for their efforts.

To date, 11 subjects have been arrested, of which 10 have pled guilty and two subjects have been sentenced. Williams is awaiting trial. In addition, $17,995.64 in cash was seized from two subjects, along with several pieces of expensive jewelry. Thus far, $122,376.75 in restitution has been ordered to the victim banks by the Court.

STEVEN JOSEPH FIORENTINO; ET AL;
JOE FLOREK VOLKSWAGEN-AUDI DEALERSHIP

From 1997 to 2000, co-owners Steven Fiorentino and Jay Wigdore, directed employees at their dealership to falsify customer credit applications, credit bureau reports,

Kelley Blue Book sheets, and vehicle sales contracts to guarantee customer loan approval at lending institutions. This fraud scheme inflicted financial losses on consumers, FDIC-insured financial institutions, private lenders and auto auctions. In October 2003, Fiorentino and three others pled guilty to Conspiracy and Mail Fraud for their part to commit fraud against a financial institution. A total of 13 people have been convicted in this case, including Wigdore. In 2004, three restitution hearings were held, and an exposure of $40 million in vehicle loans was identified and $5.5 million in losses were documented for 12 lending institutions in multiple states. This case was jointly investigated by the Flagstaff Police Department and the Coconino County Sheriff's Office.

CHALANA MCFARLAND; ET AL

On 04/27/2004, McFarland and 12 additional subjects were indicted in the Northern District of Georgia in a 158-count indictment charging them with mortgage fraud-related offenses. Losses attributable to this mortgage fraud group are in excess of $7 million. Between 11/12/2004 - 11/29/2004, 11 subjects pled guilty. A January 2005 trial date is set for McFarland. This was a joint investigation between the FBI and the U.S. Housing and Urban Development-Office of Inspector General.

DERRICK GRAYSON; ROBERT STEWART; ET AL

On 02/11/2004, Grayson and ten additional subjects were indicted and arrested in the Northern District of Georgia in a 295-count indictment charging this group with bank fraud in connection with their counterfeit check operation. The investigation determined that Grayson and Stewart operated a counterfeit check operation throughout 2003. During this time period, they were responsible for more than $1 million in losses in Georgia, Florida, Alabama, and South Carolina. All 11 subjects have pled guilty. In November 2004, Grayson was sentenced to130 months in jail. Stewart's sentencing is set for 01/05/2005. This was a joint investigation between the FBI and Atlanta Police Department.

ROBERT LEE ANDERSON; DENNIS WILSON; ET AL

In May 2004, the remaining subjects involved in a counterfeit check ring were sentenced in the Northern District of Georgia. This culminated the prosecution of ten subjects who manufactured and cashed counterfeit checks in the Atlanta, Georgia, area for approximately three years and caused losses in excess of $1.3 million. The leaders of this group, Robert Lee Anderson and Dennis Wilson, each received sentences of five years in jail for their participation and organization of this counterfeit check ring.