



U.S. Department of Justice

*United States Attorney
Eastern District of Arkansas*

FOR IMMEDIATE RELEASE
May 12, 2009

**CONTACT: Jane W. Duke
United States Attorney
501-340-2608**

ROGERS WOMAN PLEADS GUILTY TO BANK FRAUD CHARGE

Little Rock – Jane W. Duke, United States Attorney for the Eastern District of Arkansas, announced today the waiver of indictment and guilty plea of Dana Washburn, age 40, of Rogers, Arkansas. The Honorable J. Leon Holmes, Chief Judge, United States District Court, Eastern District of Arkansas accepted Washburn’s guilty plea to one count of bank fraud in violation of Title 18, United States Code, Section 1344. The statutory sentence for that offense is up to thirty years imprisonment, a \$1,000,000.00 fine, or both, and not more than five years Supervised Release. A sentencing date will be set after the completion of the Pre-sentence Investigation Report.

“Bank frauds such as this have always been a priority for the Department of Justice,” stated Duke. “The current financial downturn has certainly reinforced the notion that these crimes are serious and can have far-reaching consequences. The FBI and many other law enforcement and regulatory agencies are closely scrutinizing irregularities in loan transactions to determine if deceit is involved. If it is, those who circumvent a lender’s loan requirements through fraud will be prosecuted to the fullest extent of the law.”

From November 2, 2007 until August 12, 2008, Dana Washburn received five loans from Pulaski Bank and Trust in Jonesboro, Arkansas totaling \$3,665,000. An investment account at Stephens, Inc. served as the collateral for four of those loans, while the fifth loan was issued based on statements made regarding the balance of the Stephens account. At the time the loans were issued, the defendant stated the Stephens account contained \$3,800,000; however, the account did not contain those monies. The defendant altered Stephens account statements and provided false documentation to Pulaski Bank and Trust as well as a forged control agreement in order to obtain the loans.

After receiving the loans, the defendant transferred the money in the Stephens account to a bank in Northwest Arkansas without notifying Pulaski Bank and Trust that she was moving the

collateral. Upon learning the funds were no longer at Stephens, Pulaski Bank and Trust sought information from the defendant. She told the bank that the funds had been transferred to an investment account at Raymond James. She then had an individual pretend to be a broker at Raymond James. That person stated that the funds were accounted for and in an investment account. Another fraudulent control agreement was then sent to Pulaski Bank and Trust.

In December 2008, Pulaski Bank & Trust learned that the collateral as well as the loan proceeds were missing. The bank suffered a loss of \$3,577,223.02.

The case was investigated by the Little Rock Field Office of the Federal Bureau of Investigation and was prosecuted by Assistant United States Attorney Karen Whatley.

###