



Department of Justice

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WAVERLY LUMBER COMPANY OWNER PLEADS GUILTY TO FRAUD

COLUMBUS –Terry A. Robbins, 47, of Waverly pleaded guilty in United States District Court here today to one count each of bank fraud, mail fraud and money laundering in connection with lumber businesses he owned in Pike County.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio, Christopher P. Sadowski, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and Jose A. Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation, (IRS) announced the plea entered today before Senior U.S. District Judge James L. Graham.

According to court documents, Robbins was the president of NKR, Inc. doing business as Ohio Valley Lumber in Piketon. In March, 2003, Robbins established a \$5 million line of credit with Huntington National Bank to provide operating funds for the lumber company. He was required to submit monthly collateral reports verifying the existence and quality of the company's inventory. Starting in October, 2003, Robbins began submitting false and inflated business records in a scheme to defraud the bank.

On March 2, 2004 a fire destroyed Ohio Valley Lumber. Robbins admitted that he inflated the value of the lumber destroyed when he mailed the claim to the insurance company. Robbins committed money laundering in October 2007 when he moved the proceeds of the mail fraud between companies he and his wife owned in an effort to conceal the origin of the money.

In addition to pleading guilty to the crimes, Robbins agreed to forfeit proceeds of the crimes including \$99,120 in cash and a 2004 Lamborghini Gallardo.

Bank fraud is punishable by up to 30 years imprisonment and a \$1 million fine. Mail fraud is punishable by up to 20 years imprisonment and a \$250,000 fine. Money laundering is punishable by up to ten years imprisonment and a \$250,000 fine. Judge Graham will determine the sentence pursuant to the advisory Federal Sentencing Guidelines. No sentencing date has been set.

Lockhart commended the cooperative investigation by ATF and IRS agents, and Assistant U.S. Attorney Salvador A. Dominguez, who is prosecuting the case.

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