



U.S. Department of Justice

***United States Attorney
Eastern District of Arkansas***

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**FORMER SENIOR VICE-PRESIDENT OF TWIN CITY BANK
PLEADS GUILTY TO BANK FRAUD AND MONEY LAUNDERING**

Little Rock - Jane W. Duke, United States Attorney for the Eastern District of Arkansas, announced that Brent Geels, a former Senior Vice-President of Twin City Bank, entered pleas of guilty to one count of bank fraud and one count of money laundering to an Information filed in federal court today. The charges were filed following Geels' waiver of indictment by the Grand Jury. The guilty pleas were accepted by United States District Judge James M. Moody.

The charges to which Geels pleaded guilty stem from his actions in defrauding Twin City Bank of funds. With respect to the bank fraud, the Information charged that between October 2000 and June 2008, Geels diverted \$1,237,037.65 of bank funds from customer accounts to his own account and entered records to conceal the source and destination of the funds. Geels also diverted \$172,188.39 from customer accounts into the account of a third person for that person's benefit, primarily to cover charges against that person's account. Finally, Geels diverted \$705,336.34 from customer accounts so that those funds could be recorded as fees paid to Twin City Bank or as interest paid by Twin City Bank.

The money laundering charge to which Geels pleaded guilty listed seven instances between 2004 and 2007 in which Geels transferred stolen funds exceeding \$10,000 to his own account and used the funds to pay credit card charges. Under federal law, it is a crime to engage in a financial transaction with funds in excess of \$10,000 when those funds were derived from specified unlawful activity, which includes bank fraud.

In addition to pleading guilty to the charges, Geels also agreed that he is liable to Twin City Bank for restitution in the amount of \$1,409,225.94. Under federal law, the Court is mandated to order restitution in a case of this nature.

"Addressing misconduct and self-dealing by bank officers and other insiders is a priority of our office. Such matters are very serious in that they typically involve large-scale fraud, which has the potential to impair the soundness of our financial institutions," stated Duke. Duke noted

that Twin City Bank has been fully supportive and cooperative during the investigation. She added, "I understand that Twin City Bank has ensured that no customers suffered a loss as the result of Mr. Geels' actions. Their prompt investigation and remedial action is to be commended."

The maximum sentence that can be imposed by statute on the bank fraud charge is no more than 30 years imprisonment and a fine of no more than \$4,229,124.76. On the money laundering charge, Geels faces a potential term of no more than 10 years incarceration and a fine of \$250,000. The actual sentence will be determined according to advisory sentencing guidelines and is often lower than the maximum provided by statute.

After entry of the pleas, Geels was released on bond. His sentencing date will be scheduled after completion of the customary presentence investigation report by the United States Probation Office.

The charges filed today are a result of an on-going investigation conducted by the Little Rock Field Office of the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation Division. The case is being prosecuted by Senior Legal Advisor Michael D. Johnson.

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