



Department of Justice

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WAVERLY LUMBER COMPANY OWNER SENTENCED TO THREE YEARS IMPRISONMENT ON FRAUD CHARGES

Ordered to pay \$2.4 million in restitution

COLUMBUS –Terry A. Robbins, 48, of Waverly was sentenced in United States District Court here today to 36 months in prison, followed by five years of supervised release, ordered to pay restitution to victims of the fraud, and ordered to forfeit \$99,120.

Carter M. Stewart, 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 sentence handed down today by Senior U.S. District Judge James L. Graham.

On August 7, 2009 Robbins pleaded guilty to one count each of bank fraud, mail fraud and money laundering in connection with lumber businesses he owned in Pike County. 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.

Graham ordered that Robbins pay \$771,422 in restitution to the Pennsylvania Lumberman's Mutual Insurance Company and \$1,701,578 in restitution to Huntington National Bank.

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

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