



**U.S. Department of Justice**

**Carlie Christensen**

**United States Attorney  
District of Utah**

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**FOR IMMEDIATE RELEASE  
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**CONTACT: MELODIE RYDALCH  
U. S. Attorney's Office  
801-325-3206  
801-243-6475 (cell)**

**NEWS RELEASE**  
***FORMER MORGAN COUNTY COUNCIL  
ADMINISTRATOR PLEADS GUILTY TO  
FRAUD, MONEY LAUNDERING, THEFT***

***RESTITUTION OF \$416,222.24 DUE TO VICTIMS  
OF FRAUDULENT CONDUCT***

SALT LAKE CITY – Garth B. Day, 41, of Elwood, former Morgan County Council Administrator, pleaded guilty in federal court Monday to money laundering; false loan and credit applications; theft from a program receiving federal funds; and wire, mail, and bank fraud in connection with a fraud scheme involving the county and various financial institutions.

U.S. Magistrate Judge Samuel Alba presided over the change of plea hearing. Sentencing in the case is set for Oct. 25, 2011, at 2 p.m. before U.S. District Judge Dee Benson. Day waived indictment and was charged in a six-count Felony Information filed in April. The case is being investigated by the FBI, the Morgan County Sheriff's Office, and the Morgan County Attorney's Office.

Day, who was the council administrator from June 2008 to Aug. 4, 2010, was responsible for managing, controlling, and reconciling Morgan County's finances. As a part of the plea agreement reached with federal prosecutors, Day admitted that he misappropriated approximately \$1 million in county funds to pay off personal debt. He said he repaid more than half of the money he took before reporting the full extent of his conduct to county authorities around Aug. 27, 2010. According to the plea agreement, the total restitution due to victims of the fraudulent activity, including a financial institution and the county, is \$416,222.24. Day agreed to pay full restitution as a part of the plea agreement.

According to the plea agreement, Day's fraud scheme involved several electronic transfers, fraudulent mailings to banks and credit card companies to get them to extend him credit in Morgan County's name, and forged documents. He also admitted he created false documents to cover his criminal conduct when he was questioned by county officials.

For example, Day admitted that in October 2008, he submitted a credit card application to US Bank in order to obtain a credit card using the credit of Morgan County. He represented to the bank that the credit card was authorized by the county when, in fact, it was not.

On another occasion, he submitted various false documents to Centennial Bank to obtain a \$250,000 line of credit in the name of Morgan County. He submitted a promissory note forging the name of a Morgan County council member. He also submitted a false government certificate to the bank with a forged signature.

Day said that he needed money generated by the scheme to pay off personal debt he accrued from two speculation homes he owned.

Theft from a program receiving federal funds carries a potential penalty of up to 10 years in federal prison; false loan and credit applications and wire, mail, and bank fraud have potential penalties of up to 30 years in federal prison. Money laundering carries a potential penalty of 10 years. Day also faces a fine of up to \$1 million.

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