



U.S. Department of Justice

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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**Former Scotiabank Branch Manager Pleads Guilty to Bank Fraud,
Wire Fraud and Money Laundering Involving \$331,000**

St. Thomas, USVI - United States Attorney Ronald W. Sharpe and Federal Bureau of Investigation Special Agent-in-Charge Joseph Campbell announced today that Steve G. Gardner, 47, pleaded guilty today in federal court to two counts of bank fraud, one count of wire fraud, and one count of money laundering.

According to documents filed in court, in November 2011, during a regularly scheduled bank audit, it was discovered that Gardner had been stealing money from the bank's account under the guise of paying charges on delinquent customer loans. Gardner would either make out checks payable to vendors who had previously performed services for the bank, or he would make the checks payable to cash. When a check was made payable to a vendor, Gardner would either forge the signature or waive endorsement, and convert the funds for his personal use. The total loss to the bank from Gardner's fraud is \$331,000.

As part of his plea agreement, Gardner, who was the branch manager at Scotiabank located at Havensight/Port of Sale Mall, agreed to pay restitution in the amount of \$331,000 to the bank. Gardner also agreed to forfeit the following property to

the United States: (1) a 2008 Lexus LS460, (2) a 2003 Nissan 350Z, (3) a 2000 Lexus GS300, (4) \$115,000 from his 401K account, (5) Palm Gardens Condominium, Unit 5G, St. Thomas, Virgin Islands, and (6) \$17,000 from a savings account.

The court scheduled Gardner's sentencing for October 25, 2012. At sentencing, Gardner faces a maximum penalty of 30 years in prison on the bank fraud counts, 30 years on the wire fraud count, and 10 years on the money laundering count.

The case was investigated by the FBI St. Thomas Field Office. The case was prosecuted by Assistant U.S. Attorney Nelson L. Jones.