



# Department of Justice

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## **Former Winchester Man Sentenced to 41 Months for Bank Fraud**

**LEXINGTON, Ky.**— Christopher “Rusty” Custer, 55, formerly of Winchester, Ky., but now residing in Conroe, Texas, was sentenced to 41 months in federal prison on Wednesday, by Chief U.S. Judge Danny C. Reeves, after pleading guilty to bank fraud.

According to Custer’s plea agreement, he admitted to lying to Traditional Bank to obtain two loans, totaling more than \$1.5 million, for the purchase of a home and property to be used for an equine business. He also admitted to lying to victim P.H., to obtain a \$75,000 personal loan. Custer conceded that he provided the bank and P.H. with false personal financial statements, supported by falsely manipulated documentation from well-known financial institutions, suggesting he was worth more \$6 million. Actual records from these financial institutions showed at most a \$100.00 closing balance in one account. He also exaggerated the value of his personal assets, claiming to own roughly \$300,000 in household goods and furniture, when seeking loans from Traditional Bank and P.H.; but he then admitted he owned roughly \$20,000 worth of these same items in his bankruptcy filing.

After repaying P.H. and the foreclosure on the property he bought with the proceeds of the Traditional Bank loans, Custer still owes more than \$500,000 in restitution.

Custer pleaded guilty on October 21, 2022.

Under federal law, Custer must serve 85 percent of his prison sentence, upon his/her/their release from prison will be under the supervision of the U.S. Probation Office for five years.

Carlton S. Shier, IV, United States Attorney for the Eastern District of Kentucky, and Kathy Enstrom, Special Agent in Charge, Office of Inspector General, Federal Deposit Insurance Corporation, jointly announced the sentence.

The investigation was conducted by the FDIC Office of Inspector General. The United States was represented by Assistant U.S. Attorneys Kathryn Dieruf and Kate Smith.