

For Immediate Release
October 14, 2011

CALIFORNIA MAN PLEADS GUILTY TO FEDERAL BANK FRAUD CHARGES

ALBUQUERQUE – This morning in Albuquerque federal court, **Manuel Garcia**, 69, who now resides in Los Angeles, CA, entered a guilty plea to an indictment charging him with six counts of bank fraud. At sentencing, which has yet to be scheduled, Garcia faces a maximum sentence of 30 years imprisonment, five years of supervised release, and a \$1,000,000 fine. Under the terms of his plea agreement, Garcia will pay restitution in the amount of \$585,243.59 to US Bank of Albuquerque, formerly known as First Community Bank (FCB). Garcia remains on conditions of release under pretrial supervision pending his sentencing hearing.

U.S. Attorney Kenneth J. Gonzales said that Garcia was indicted and charged with six counts of bank fraud on June 7, 2011. At the time of the offenses charged in the indictment, Garcia was president of Keyworth Mortgage Funding Group (Keyworth), a business incorporated in New Mexico and Arizona that originated residential mortgage loans and sold them to investors such as the Federal National Mortgage Association (Fannie Mae). The indictment generally alleged that, between August 2009 and May 2010, Garcia, fraudulently obtained money from FCB by falsely representing that the funds were to be used to finance new residential mortgage loans. According to the indictment, Garcia actually used the funds to pay Keyworth's debt to Fannie Mae.

In his plea agreement, Garcia acknowledged that Keyworth maintained a line of credit with FCB from which it would obtain money advances to finance the origination of mortgage loans. Garcia admitted that he devised a scheme pursuant to which he submitted requests to FCB for advances for non-existent mortgages, using property addresses of prior clients. Specifically, Garcia submitted the names, addresses and requested loan amounts of Keyworth's

prior residential mortgage clients to support his requests for advances. By falsely representing the properties as new mortgages, Garcia caused FCB to wire transfer the requested advances to Keyworth's bank account in Arizona. Garcia admitted receiving six advances in the aggregate amount of \$1,279,650 by submitting fraudulent requests. Because Garcia repaid \$535,450 with interest to FCB as if they had been legitimate loans, that sum is not included in the restitution that Garcia will have to pay.

This case was investigated by the Federal Bureau of Investigation, and is being prosecuted by Assistant U.S. Attorney Tara C. Neda.

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