



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE

11/30/06

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

FORMER BANK OFFICER SENTENCED TO PRISON

Vargas Also Ordered To Pay \$2.9 Million in Restitution For Making Fraudulent Loans

Atlanta, GA - FREDERICK E. VARGAS, 38, of Miami, Florida, was sentenced today by United States District Judge Thomas W. Thrash on charges of bank fraud and conspiracy.

United States Attorney David E. Nahmias said, "The integrity of federally insured financial institutions must be protected by prosecution of employees who abuse the trust placed in them to honestly conduct the affairs of those institutions."

VARGAS was sentenced to 4 years, 3 months in prison to be followed by 3 years of supervised release, and ordered to pay \$2,960,545 in restitution. VARGAS was convicted of these charges on May 7, 2004.

According to United States Attorney Nahmias and the information presented in court: VARGAS was a former Vice President and Business Development and Lending Officer with an institution formerly known as "Charter Bank Trust Company," which had several offices in the Atlanta area. VARGAS used his position to grant loans and credit to applicants he knew were not qualified. The evidence showed that from April 2002 through March 2003, VARGAS was induced to approve extensions of credit to uncreditworthy persons in violation of Charter's lending policies. The inducements included the opportunity to purchase real estate at greatly discounted amounts with the representation that the properties could be resold in millions of dollars in personal gain.

This case was investigated by Special Agents of the IRS-Criminal Investigation.

Assistant United States Attorney Gale McKenzie prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.