



PRESS RELEASE

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**FORMER PRESIDENT OF KEYWORTH MORTGAGE FUNDING GROUP RECEIVES
THIRTEEN-MONTH PRISON SENTENCE FOR BANK FRAUD CONVICTION**

ALBUQUERQUE – Yesterday, a federal judge in Santa Fe, N.M., sentenced Manuel Garcia, 70, currently residing in Los Angeles, Calif., to a 13-month prison sentence to be followed five years of supervised release for his bank fraud conviction. Garcia also was ordered to pay restitution in the amount of \$585,243.59 to US Bank of Albuquerque, which was formerly known as First Community Bank (FCB). Garcia was ordered to surrender to a federal correctional institution to be designated by the U.S. Bureau of Prisons to serve his prison sentence.

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.

Garcia entered a guilty plea to all six counts in the indictment on Oct. 14, 2011. 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 was not included in the restitution that Garcia is required to pay.

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

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