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Banker Who Originated 24 Fictitious Loans
Ordered by OCC to Pay \$838,670

WASHINGTON, D.C. -- The Office of the Comptroller of the Currency (OCC) today announced that it has ordered Richard Salmon, former vice president and loan administrator of Bank of the Desert, N.A. in Indio, Calif., to pay \$813,670 in restitution and a \$25,000 civil money penalty for making 24 fictitious loans for his own benefit.

The OCC decision said that Salmon also "engaged in a pattern of loan-kiting by generating fraudulent loans and then paying down the illegal loans with proceeds of subsequent fraudulent loans secured with collateral that either did not exist or was owned by someone else."

The OCC found that "by forging signatures, falsifying loan documents, and converting loan proceeds for his personal benefit over a four-year period, (Salmon) showed an indifference to the law and safe and sound banking practices that constitutes reckless disregard for the law." On July 27, the Federal Reserve Board barred Salmon from participating in the affairs of any insured financial institution. That action followed an opinion by an administrative law judge based on charges brought by the OCC.

The OCC found that between 1992 and 1996, Salmon originated fictitious loans totaling \$1.9 million and converted the proceeds of the loans for his personal benefit. Some of those sums were recovered. The bank was dissolved following a merger in 1996.

The administrative law judge that heard the case found that Salmon used the proceeds from his scheme to pay his home mortgage, purchase two luxury cars and pay off personal debt.

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The OCC charters, regulates and examines approximately 2,600 national banks and 62 federal branches and agencies of foreign banks in the United States, accounting for 58 percent of the nation's banking assets. Its mission is to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.