

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF OKLAHOMA

FILED

FEB 25 2014

By PATRICK KEANEY
Clerk, U.S. District Court
Deputy Clerk

UNITED STATES OF AMERICA,

Plaintiff,

v.

VICTOR EARL GARRETT,

Defendant.

Case No.

CR 14-018-JHP

INDICTMENT

The Federal Grand Jury charges:

INTRODUCTION

At all times relevant to the Indictment:

1. First National Bank of Davis (FNB) was a federally insured national bank with one location in downtown Davis, Oklahoma, within the Eastern District of Oklahoma.
2. FNB was insured by the Federal Deposit Insurance Corporation (FDIC) and examinations of the Bank were conducted by the Office of Comptroller of Currency (OCC).
3. W.A. Moore, Jr., more commonly known as "Dub Moore", was President of FNB and owned 15.38% of Davis Bancorporation, Inc., the company that owned FNB.
4. Dub Moore was paid a salary as Bank President and received dividends as a shareholder in Davis Bancorporation, Inc.
5. As President of FNB, Dub Moore had ultimate authority over the day to day operations of FNB.
6. The OCC conducted examinations of FNB in August 2008, January 2010 and February 2011.

7. Every national bank, including FNB, has limits on the amount it can loan to one borrower and interdependent entities. These limits, called “legal lending limits”, are based upon a percentage of the bank’s capital and surplus. In 2011, FNB had a legal lending limit of \$1.22 million.

8. **VICTOR EARL GARRETT**, defendant herein, (**GARRETT**) with his wife and son, owned and operated several tourist properties in the Davis, Oklahoma, area including but not limited to Arbuckle Mountain Development.

9. One of those tourist properties was Arbuckle Wilderness Center Park, an exotic animal park in the Davis, Oklahoma area.

10. In the late summer of 2009, **GARRETT** and his interdependent entities had reached their legal lending limit with FNB. As a result, FNB could not extend any new credit to **GARRETT**.

11. On or about August 12, 2009, **GARRETT** applied to FNB for a \$3.4 million dollar loan. The FNB loan was 80% guaranteed by the United States Department of Agriculture (USDA).

12. A USDA guaranteed loan means the USDA will purchase the debt from the lending institution and take on the responsibility of the loan if the borrower defaults.

14. On or about January 26, 2010, the guaranteed loan through FNB was approved by the USDA and proceeds from the guaranteed loan were applied to **GARRETT**’s loans at FNB.

13. A nominee loan is a loan in the name of one party that is intended for the use by another.

COUNT ONE

(18 U.S.C. § 1349 – Conspiracy to Commit Bank Fraud)

A. OBJECT OF THE CONSPIRACY

From on or about August 1, 2009, through January 31, 2010, the exact dates unknown to the Grand Jury, **VICTOR EARL GARRETT**, defendant herein, (**GARRETT**) and coconspirator Dub Moore, and others unknown and known to the Grand Jury, knowingly conspired, agreed and confederated to execute and attempt to execute, a scheme and artifice to defraud FNB, a federally insured national bank, in violation of Title 18, United States Code, Section 1344.

B. MANNER AND MEANS OF CONSPIRACY

1. In order to accomplish the objectives of the conspiracy and in furtherance thereof, **GARRETT** and Dub Moore applied for a \$3.4 million loan from the USDA.

2. In order to accomplish the objectives of the conspiracy and in furtherance thereof, in or about September 2009, **GARRETT** and Dub Moore recruited an individual, J.R., to apply for a nominee loan in J.R.'s name. The proceeds of the loan would be deposited into **GARRETT's** account at FNB. The purpose of the loan was to conceal from the OCC and USDA that Dub Moore was loaning **GARRETT** additional funds in violation of FNB's legal lending limit.

3. In order to accomplish the objectives of the conspiracy and in furtherance thereof, **GARRETT** and Dub Moore concealed the nominee loan from the USDA in order to insure the USDA loan would be approved.

OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY

In furtherance of the conspiracy and to effect and accomplish its objectives, **GARRETT** and Dub Moore and others known and unknown to the Grand Jury, committed the following overt acts, among others, in the Eastern District of Oklahoma and elsewhere.

1. In or about September 2009, **GARRETT** requested J.R. to take out a nominee loan for a term of 60 to 90 days in J.R.'s name.

2. After **GARRETT** approached J.R., J.R. met with Dub Moore to discuss the loan. Dub Moore convinced J.R. that the loan was secured by **GARRETT's** property and that J.R. would not be responsible if **GARRETT** defaulted on the loan.

3. **GARRETT** promised to pay J.R. 10% of the loan value in exchange for J.R. securing the loan and giving the funds to **GARRETT**.

4. **GARRETT** promised J.R. that the nominee loan would be paid off with proceeds from a USDA guaranteed loan.

5. On or about November 9, 2009, Dub Moore finalized Loan 72021 to J.R. in the amount of \$481,247.00.

6. On or about November 10, 2009, Dub Moore deposited the funds of Loan 72021 into J.R.'s account at FNB. Thereafter, the funds were transferred into **GARRETT's** account at FNB.

7. **GARRETT** used the funds for operating expenses of his businesses.

8. On or about December 29, 2009, the USDA issued a conditional commitment stating that a loan note guarantee will not be issued until the lender certifies that there has been no adverse change in the borrower's financial condition. **GARRETT** and Dub Moore concealed from the USDA that **GARRETT** incurred additional debt in the amount of \$481,247.00.

9. On or about January 6, 2010, **GARRETT** signed the loan documents for the \$3.4 million USDA guaranteed loan.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO

(18 U.S.C. §§ 1344 and 2 – Bank Fraud)

THE SCHEME AND ARTIFICE

From on or about August 1, 2009, and continuing to on or about January 31, 2010, in the Eastern District of Oklahoma, and elsewhere, **VICTOR EARL GARRETT**, defendant herein, did devise and did intend to devise a scheme and artifice to defraud FNB, a federally insured financial institution.

MEANS AND METHOD OF THE SCHEME

The Grand Jury realleges and incorporates by reference all allegations previously contained in this Indictment.

1. Dub Moore and **VICTOR EARL GARRETT (GARRETT)** convinced J.R. to obtain a \$481,247.00 loan from FNB.

2. The loan was taken out in J.R.'s name to avoid the OCC and USDA discovering that **GARRETT** borrowed additional money from FNB in violation of the legal lending limit.

3. On or about November 10, 2009, the proceeds of J.R.'s loan were deposited into **GARRETT's** account.

4. **GARRETT** used the proceeds for his businesses.

All in violation of Title 18, United States Code, Sections 1344 and 2.

COUNT THREE

(18 U.S.C. §§ 1344 and 2- Bank Fraud)

THE SCHEME AND ARTIFICE

From on or about August 1, 2009, and continuing to on or about January 31, 2010, in the Eastern District of Oklahoma, **VICTOR EARL GARRETT**, defendant herein, did devise and did intend to devise a scheme and artifice to defraud USDA and FNB, a federally insured financial institution.

MEANS AND METHOD OF THE SCHEME

The Grand Jury realleges and incorporates by reference all allegations previously contained in this Indictment.

1. On or about August 12, 2009, **VICTOR EARL GARRETT (GARRETT)** applied to USDA and FNB for a \$3.4 million dollar loan.

2. On or about November 10, 2009, **GARRETT** received the funds from the nominee loan in the name of J.R.

3. **GARRETT** failed to disclose to USDA and FNB he had pledged collateral and incurred more debt by way of J.R.'s nominee loan.

4. On or about January 26, 2010, **GARRETT** signed the loan documents and received the USDA guaranteed \$3.4 million loan.

All in violation of Title 18, United States Code, Sections 1344 and 2.

FORFEITURE ALLEGATION

(18 U.S.C. §§ 982, 1956 and 1957 – Forfeiture)


1. The allegations contained in Counts One, Two and Three of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 982(a)(1).

2. Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of an offense in violation of Title 18, United States Code, Sections 1349 and/or 1344, **VICTOR EARL GARRETT**, defendant herein, shall forfeit to the United States of America any property, real or personal, involved in such offense, and any property traceable to such property. The property to be forfeited includes, but is not limited to, the following:

A sum of money equal to the amount of loss suffered by First National Bank of Davis.

A TRUE BILL:

MARK F. GREEN
United States Attorney



MELODY NOBLE NELSON, OBA #16467
Assistant United States Attorney

**Pursuant to the E-Government Act,
the original indictment has been filed
under seal in the Clerk's Office.**

s / Foreperson
FOREPERSON OF THE GRAND JURY