



PRESS RELEASE

Federal Deposit Insurance Corporation

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TEXAS MAN GUILTY OF SCHEME TO DEFRAUD BESTBANK, BOULDER, COLORADO; SCAM COST FDIC \$9 MILLION

Federal Deposit Insurance Corporation (FDIC) Inspector General Gaston L. Gianni, Jr., has announced that William Brooks, South Lake, Texas, was convicted on October 15, 2002, of 46 counts of bank fraud, wire fraud and money laundering for implementing a scheme to defraud the failed BestBank, Boulder, CO, and Pueblo Bank and Trust Company, Pueblo, CO, which acquired the insured deposits of the failed institution from the FDIC. The scheme ultimately cost the FDIC over \$9 million.

BestBank was closed on July 23, 1998, and the FDIC was appointed receiver.

This case was investigated by the FDIC's Office of Inspector General and the Federal Bureau of Investigation. The case was prosecuted by the U.S. Attorney's Office in the District of Colorado.

Brooks, who was indicted by a federal grand jury on January 30, 2002, owned several Texas companies, including an armored car company and a company that owns and operates automated teller machines (ATMs). For almost a year and a half, Brooks used his companies to divert bank funds designated to stock ATMs to accounts that he controlled. He ultimately used the diverted funds for business and related expenses rather than returning them to the bank.

Sentencing is scheduled for January 14, 2003. Brooks faces five to seven years in federal prison.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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