



**U.S. Department of Justice**

United States Attorney  
Northern District of Illinois

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**FORMER STERLING BANKER CHARGED  
IN MULTIPLE BANK FRAUD SCHEMES**

Rockford — a Sterling resident was indicted today by a federal grand jury for allegedly committing fraud against three different banks where he worked between 2005 and 2009. The defendant, Lyle J. Spaulding, 43, was charged with eight counts of bank fraud. The fraud allegedly took place between December 2007 and December 2009, while Spaulding was an officer and employee of Freedom Bank, between 2006 and 2007, while Spaulding was an officer and employee of UnionBank, and in 2005, while Spaulding was an officer and employee of Amcore Bank, N.A. (now BMO Harris Bank).

According to the indictment, while Spaulding was an officer and employee of each bank, his duties included reviewing and approving commercial loans. The indictment states that Spaulding defrauded the banks by: (1) approving loans and increases in loans for members of his family without disclosing the familial relationship to the banks; (2) approving loans and increases in loans where the borrowers had agreed to pay over part of the loan proceeds to Spaulding, without disclosing to the banks that he would receive part of the loan proceeds; and (3) characterizing loans as “commercial loans” in order to avoid limitations on the amounts of loans and increases in loans that he was authorized to approve. The indictment charges that after receiving a portion of the loan proceeds, Spaulding used those funds for his own purposes.

Each count of bank fraud carries a maximum penalty of 30 years in prison and a \$1,000,000 maximum fine, or an alternate fine totaling twice the loss or twice the gain, whichever is greater. If convicted, the Court must impose a reasonable sentence under the advisory United States Sentencing Guidelines. Spaulding's initial appearance is set for January 31, 2012, at 11:30 a.m. before U.S. Magistrate Judge P. Michael Mahoney, at the federal courthouse in Rockford, Illinois.

The indictment was announced today by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and John E. Lucas, Special-Agent-in-Charge of the Chicago Region of the Office of Inspector General, Federal Deposit Insurance Corporation.

The government is represented by Assistant U.S. Attorney John G. McKenzie.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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