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**WEST VIRGINIA REAL ESTATE DEVELOPER PLEADS GUILTY TO FRAUD
AND TAX CHARGES**

BECKLEY, W.Va. – A West Virginia real estate developer pleaded guilty today before U.S. District Judge Irene C. Berger to federal charges in connection with a major bank fraud conspiracy. Donald R. Carter II, 38, of Poca, West Virginia, pleaded guilty to a two-count information charging him with bank fraud and tax evasion.

“These are the types of cases which inspired the creation of the President’s Financial Fraud Enforcement Task Force,” U.S. Attorney Booth Goodwin said. “This type of fraudulent conduct can be devastating to communities. It threatens the dreams of homebuyers and ultimately undermines the security of our financial system. We will utilize every tool and resource we have to investigate, prosecute and prevent mortgage and other financial fraud.”

A joint investigation conducted by the Federal Bureau of Investigation and the Internal Revenue Service, Criminal Investigation Division, revealed that in November 2005, Carter purchased twenty three undeveloped lots in the Lamplighter Valley subdivision in Lewisburg, Greenbrier County. Carter sought financing from United Bank to build several residential homes simultaneously, but could not obtain multiple construction loans in his own name. With the aid of a corrupt United Bank loan officer, Carter circumvented United Bank’s lending limits by enlisting friends and family to act as “straw buyers” and sign construction loan applications in their own name, even though the proceeds were actually intended to benefit Carter. To ensure approval, several of the loan applications contained false statements regarding the respective straw buyer’s income, assets or net worth. In exchange for allowing Carter to “borrow their credit,” Carter paid the straw buyers \$15,000 per loan, which payments were not disclosed on the loan documents.

Carter ultimately closed on sixteen construction loans in the Lamplighter Valley subdivision with loans totaling over \$4 million. Of that amount, Carter drew down approximately \$1.9 million between February and October 2006, but never completed one home. Carter misappropriated a portion of those loan proceeds for personal expenses, including gambling debts to a casino in Las Vegas, Nevada. Carter also provided the United Bank loan officer trips to Las Vegas and the use of a 2005 Toyota Sequoia.

In addition, Carter admitted to evading taxes for the year 2006, which primarily included the profit he received on the sale of the Lamplighter lots to the straw buyers. To evade payment, Carter refused to file an income tax return prepared by his accountant. Further, he commingled business and personal expenses in an attempt to disguise his income. All told, Carter agreed that he owed at least \$400,000 in back taxes.

A plea hearing is set for a former United Bank loan officer, Roy Leon Cooper, for January 13, 2011 at 10 a.m. in Beckley, West Virginia in front of Judge Berger, on related charges.

Carter, who is scheduled to be sentenced on May 5, 2011, faces up to 35 years imprisonment and a \$1.25 million fine.

Assistant United States Attorney Thomas Ryan is handling the prosecution.

This case is being prosecuted as part of President Barack Obama's Financial Fraud Enforcement Task Force. The President established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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