



# Department of Justice

FOR IMMEDIATE RELEASE  
MAY 6, 2015  
[WWW.USDOJ.GOV/USAO/DE](http://WWW.USDOJ.GOV/USAO/DE)

CONTACT: KIM REEVES  
PHONE: (302) 573-6277, ext. 16287

## **FORMER CHIEF CREDIT OFFICER AND FORMER CONTROLLER OF WILMINGTON TRUST INDICTED FOR FALSE STATEMENTS**

WILMINGTON, Del. – William North, the former Chief Credit Officer and Kevyn Rakowski, the former Controller, of Wilmington Trust, were indicted today for their respective roles in making false statements to agencies of the United States government. The charges include one count of making false statements to the Securities and Exchange Commission (SEC), and three counts of making false statements to Federal Reserve. The charges stem from North's and Rakowski's involvement in concealing from the market and the Federal Reserve the total quantity of past due loans on the bank's books during October and November 2009.

Wilmington Trust was required to report in its quarterly filings with both the SEC and the Federal Reserve the quantity of its loans for which payment was past due for 90 days or more. Investors and banking regulators consider the 90-day number in evaluating the health of a bank's loan portfolio. According to the Indictment, North, age 55, of Bryn Mawr, Pennsylvania, and Rakowski, age 61, of Lakewood Ranch, Florida, helped conceal the truth about the quality of Wilmington Trust's loan portfolio from the investing public and from the bank's regulators.

Notwithstanding these reporting requirements and the value of this metric to investors and regulators, North and Rakowski participated in Wilmington Trust's failure to include in its reporting a material quantity of past due loans. North, as the bank's Chief Credit Officer, approved the exclusion or "waiver" of such loans from internal reports that he knew would be used to generate the bank's external financial reports. Rakowski, as Controller, approved the bank's filings with the SEC and the Federal Reserve knowing that those reports did not include past due loans that had been "waived."

In November 2010, Wilmington Trust was acquired by another bank at a discount of approximately 46% from the bank's share price the prior trading day.

In announcing the Indictment, United States Attorney for the District of Delaware Charles M. Oberly, III, stated, "This Indictment represents another significant step forward in holding accountable those individuals whose criminal conduct contributed to the decline of Wilmington Trust. As the Chief Credit Officer and Controller of Wilmington Trust, North and Rakowski knew that the false information being provided to the Bank's regulators and shareholders masked the true condition of its loan portfolio. Their respective roles in compiling

and providing this false information to regulators during the Fall of 2009 are addressed in the Indictment returned today by the Grand Jury.”

“We are committed to holding accountable wrongdoers whose fraudulent actions impact the safety and soundness of financial institutions regulated by the Federal Reserve Board,” said Mark Bialek, Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau.

“Bankers across our nation faced rising past due loans during the financial crisis, but not all made a choice to hide the bad loans from shareholders and regulators like these two former Wilmington Trust officers are alleged to have done,” said Christy Romero, Special Inspector General for TARP (SIGTARP). We commend United States Attorney Charles Oberly and our law enforcement partners for standing firm with SIGTARP to combat TARP-related crime.”

“Today’s indictment of William North and Kevyn Rakowski sends a strong message that individuals who engage in this type of financial fraud will not go undetected” said Akeia Conner, Special Agent In Charge, IRS Criminal Investigation. “The IRS is proud to share its financial investigative expertise in this and other increasingly sophisticated financial investigations. We will continue to work with our law enforcement partners to bring this investigation to a thorough and complete conclusion.”

The case is being investigated by the Federal Bureau of Investigation, the Department of Treasury’s Special Inspector General for the Troubled Asset Relief Program, the Internal Revenue Service’s Criminal Investigative Division, and the Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau. The Securities and Exchange Commission has also contributed to the investigation. The case is being prosecuted by Assistant U.S. Attorneys Robert Kravetz and Lesley Wolf of the District of Delaware.

The charges contained in an indictment are merely accusations, and a defendant is presumed innocent unless and until proven guilty.

###