



UNITED STATES ATTORNEY'S OFFICE
District of Minnesota

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**FORMER BANK CEO PLEADS GUILTY TO OBSTRUCTING AN EXAMINATION BY
THE FEDERAL RESERVE BOARD**

United States Attorney Andrew M. Luger today announced the guilty plea of TIMOTHY PAUL OWENS, 55, for obstructing an examination by the Board of Governors of the Federal Reserve (Federal Reserve Board). In addition to its role in setting national monetary policy and in conjunction with the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board is responsible for supervising and regulating banking institutions to ensure the safety and soundness of the nation's financial system. OWENS pleaded guilty today to one count of obstruction of an examination of a financial institution. He entered the plea before Judge Ann Montgomery in U.S. District Court in Minneapolis, Minn.

“Financial and banking professionals have a responsibility to respond truthfully to regulatory inquiries,” said U.S. Attorney Luger. “This defendant violated his responsibility and broke the law. Federal regulators and prosecutors are working together closely to uncover and prosecute the kind of obstructive behavior exhibited by Mr. Owens.”

According to the defendant's guilty plea and documents filed in court, OWENS served as CEO and Chairman of Voyager Bank (Voyager) and the President and CEO of the bank's holding company, Voyager Financial Services Corporation (VFSC). In June 2009 the Federal Reserve Board conducted an examination of VFSC, focusing specifically on loans made to VFSC insiders, including OWENS. The Federal Reserve Board examiners sought to, among other things, determine the quality of VFSC's internal controls relating to loans to insiders and the credit risk presented by the loans. According to the information known to the examiners at the time, VFSC had issued three loans to OWENS.

According to the defendant's guilty plea and documents filed in court, after the examination the Federal Reserve Board on July 7, 2009 demanded in writing that VFSC review OWENS' loans and submit documentation showing that the loans to OWENS had been reviewed by the VFSC board and were consistent with existing bank policies. The Federal Reserve specifically ordered that its letter be presented to the VFSC Board of Directors and discussed at its next meeting.

OWENS received the letter personally, but did not disclose it to the VFSC board. Instead, OWENS alone prepared a response to the Federal Reserve Board.

At the time of the examination, OWENS had four loans with VFSC totaling more than \$5 million. According to the defendant's guilty plea and documents filed in court, however, OWENS' response to the Federal Reserve was false and misleading, because he only identified the three loans that had been disclosed in the June examination, did not disclose a fourth \$1,000,000 loan, and wrote the response as though it had been reviewed and approved by the VFSC Board of Directors and signed by its chairman, when in fact it had not. The purpose of the misrepresentations, according to OWENS' guilty plea today, was to portray inaccurately his financial circumstances and ability to repay the loans by, among other things, exaggerating his wealth and concealing his liabilities and thereby cause the Federal Reserve Board to end its examination of VFSC and OWENS' substantial indebtedness.

This case is the result of an investigation conducted by the Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau; the Federal Deposit Insurance Corporation, Office of Inspector General; the Federal Housing Finance Agency, Office of Inspector General; and the Federal Bureau of Investigation.

This case is being prosecuted by Assistant U.S. Attorney Robert Lewis.

Defendant Information:

TIMOTHY PAUL OWENS, 55
Wayzata, MN

Convicted:

- Obstructing Examination of a Financial Institution, 1 count

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