



ATTORNEY SENTENCED TODAY IN BANK FRAUD SCHEME

December 9, 2011

Little Rock - Christopher R. Thyer, United States Attorney for the Eastern District of Arkansas announced today that Kevin Harold Lewis, age 43, of Little Rock, Arkansas was sentenced today by United States District Judge James M. Moody to 121 months incarceration to be followed by three years of supervised release for bank fraud. Lewis was also ordered to pay \$33,826,326 in restitution. An additional amount of restitution will be considered by Judge Moody after briefs are filed regarding the loss to Centennial Bank of Cabot, Arkansas. Lewis was ordered to report to the Bureau of Prisons on February 7, 2012.

"This large scale fraud scheme was not the work of a man who made a little mistake. Kevin Lewis, through calculated efforts, defrauded nine financial institutions out of nearly \$50 million, and those institutions still have outstanding losses of over \$39 million," stated Thyer. "A large prison sentence was necessary, due not only to the nature and circumstances of the offense, but also to show that white collar crime is a serious offense with serious consequences."

Until around October 2010, Kevin Harold Lewis, a licensed attorney in the state of Arkansas, operated several businesses throughout the state in addition to running his law practice. Lewis primarily concentrated on developing property owners' improvement districts and issuing special assessment bonds to fund these districts. These assessment bonds are also known as special improvement district bonds.

At the plea hearing held before United States District Judge James M. Moody, Lewis admitted that between December 31, 2008, and September 29, 2010, First Southern Bank, a federally insured financial institution located in Batesville, Arkansas purchased special improvement district bonds, totaling approximately \$23 million from Kevin Lewis. Prior to the purchase of each bond, Lewis would provide the bank with offering documents describing the details of bonds. At the plea hearing, Lewis acknowledged that these bonds were fraudulent. On or around August, 2009, Lewis, through PA Alliance Trust, a trust he formed in February 2009, purchased a controlling interest, approximately 53%, in First Southern Bank. To facilitate this purchase, Lewis borrowed approximately \$4.6 million from First State Bank in Lonoke. Lewis pledged the First Southern Stock as collateral for this loan. In or around September 2010, Lewis, through his PA Alliance Trust, purchased an additional \$5.5 million in First Southern stock, which increased his ownership in the bank to 64.9%. To facilitate this purchase, Lewis, in part, used funds from the sale of two fraudulent bonds to First Southern Bank.

In addition to the fraudulent bonds provided to First Southern Bank, a bank that was forced into FDIC receivership upon learning of the status of the bonds, the following financial institutions provided loans to Kevin Lewis which were collateralized, in whole or in part, by fraudulent bonds: Centennial Bank, Citizens, Liberty Bank, First Community, Allied, Simmons, and Regions Bank. The following banks currently hold fraudulent bonds which were originally sold by Kevin Lewis: Centennial Bank and Bank of Augusta.

President Obama 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.

The investigation was conducted by the Federal Bureau of Investigation and the Federal Deposit Insurance Corporation. It is being prosecuted by Assistant United States Attorneys Karen Whatley and Stephanie Mazzanti.

Christopher R. Thyer
United States Attorney for the Eastern District of Arkansas is pleased to bring you
Offices of the U.S. Attorneys Briefing Room



The Briefing Room highlights the work of the U.S. Attorneys' offices across the country.

LAW ENFORCEMENT COORDINATING COMMITTEE

Training and seminars for Federal, State, and Local Law Enforcement Agencies.



Help us combat the proliferation of sexual exploitation crimes against children.



Our nation-wide commitment to reducing gun crime in America.

Unidos por un país. Unidos con
nos. Unidos. Unidos.
EN ESPAÑOL

UNITED STATES ATTORNEYS
For Kids

EASTERN DISTRICT OF MICHIGAN
Post Office Box 13291 - Little Rock, AR 72203

HOME

ABOUT

[The District](#)

NEWS

[Press Releases](#)
[News Archives](#)

**MEET THE US
ATTORNEYS**

PROGRAMS:

[LEDC](#)
[PSC](#)
[PRM](#)
[ATAC](#)
[WWW](#)
[WR](#)

CONTACT US

[Telephone](#)
[Mail](#)
[FOIA](#)
[Webmaster](#)

JUSTICE.ORG.DOWNLOAD

[Site Map](#)

[Accessibility](#)

[FOIA](#)

[Privacy Policy](#)

[Legal Policies &](#)

[Disclosures](#)

[Justice.gov](#)

[USA.gov](#)

From Article at GetOutOfDebt.org