



SIGTARP

Office of the Special Inspector General
for the Troubled Asset Relief Program

Former Bank Executive and Former Loan Officer Sentenced to Prison for Fraud at Failed TARP Bank

On February 28, 2020, a federal court sentenced Dana Frye, the former executive vice president and chief lending officer of Country Bank of Aledo, Illinois to prison for five years. Frye was convicted of making false statements to the bank in October 2019. Andrew Frye, a loan officer at the bank who worked closely with his dad, Dana Frye, cooperated with prosecutors. Andrew Frye was convicted of loan fraud and sentenced to probation. As a condition of their sentences, both defendants are prohibited from ever working in the banking or financial industry again. The Fries were arrested by SIGTARP special agents in October 2019.

While Dana Frye was working for Country Bank, he used his position to assist others in securing loans for various commercial real estate development projects without disclosing in bank records and loan applications that he stood to personally profit from the issuance of the loans. One such project was the development of a golf course in Sherrard, Illinois, known as “Fyre Lake” that benefited from more than \$20 million in loans from Country Bank.

Frye also helped secure loans to a number of real estate developments that retained Webgem, a management and account services company owned by Frye and his son. Frye did not disclose his interest in Webgem in bank records and loan documents submitted to Country Bank prior to the approval of these loans. Frye concealed his interest in these real estate developments and Webgem because he knew that Country Bank’s policies prohibited loans to projects in which he had a financial interest.

In May 2009, Country Bank received a \$4.1 million TARP bailout. In October 2011, Country Bank failed, leaving the Federal Deposit Insurance Corporation with losses of more than \$70 million. Other victims included Greenwoods State Bank, Burlington, Wisconsin; Blackhawk Bank & Trust, Milan, Illinois; and Citizens Bank of Mukwonago, Wisconsin.

SIGTARP was joined in the investigation by the Federal Deposit Insurance Corporation Office of the Inspector General. The U.S. Attorney’s Office for the Central District of Illinois is prosecuting the case.