

PRESS RELEASE

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Hardin County Man Convicted of Conspiracy and Bank Fraud

Jackson, TN– Following a week-long trial with proper COVID-19 health and safety protocols, a federal jury has convicted Charles Ray Smith, 71, of Crump, Tenn., of defrauding three banks in Tennessee and Alabama. D. Michael Dunavant, U.S. Attorney announced the guilty verdict today.

According to information presented in court, Smith owned and operated several aggregate materials businesses in Tennessee, Alabama and Louisiana. From March 2009 until February 2012, Smith defrauded Central Bank in Savannah, Tenn., by depositing and directing others to deposit more than \$116 million in fraudulent bank checks into his companies' bank account. Smith also defrauded Wayne County Bank, in Waynesboro, Tenn., and First Metro Bank, in Muscle Shoals, Ala., by falsifying collateral to obtain loans. As a result, Smith stole more than \$ 9.9 million from the victim banks.

The jury convicted Smith of all of the counts in the indictment, charging him with conspiracy to commit bank fraud, and seven counts of bank fraud.

The sentencing hearing is scheduled for January 5, 2021, before Chief U.S. District Judge S. Thomas Anderson, who also presided over the trial. Smith faces up to 30 years in prison for each count in the indictment, and a \$1 million fine. There is no parole in the federal system.

U.S. Attorney D. Michael Dunavant said, "The financial fraud committed by this defendant is massive, and had a significant negative impact on the shareholders, employees and customers of his bank victims. The U.S. Attorney's Office places a high priority on protecting the security and integrity of transactions, deposits and assets of financial institutions, and this guilty verdict demonstrates that commitment. Smith has now been held accountable for his brazen crimes of dishonesty."

The case was investigated by the Federal Deposit Insurance Corporation, Office of Inspector General, and the Federal Bureau of Investigation.

Assistant U.S. Attorneys Dean DeCandia and Matt Wilson prosecuted this case on behalf of the United States.

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