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Department of Justice

U.S. Attorney's Office

District of Delaware

FOR IMMEDIATE RELEASE

Thursday, May 3, 2018

Statement of U.S. Attorney David C. Weiss On The Guilty Verdict In U.S. v. Wilmington Trust Corporation et al.

WILMINGTON, Del. – First, I want to thank the jury for their service. This was a complicated case. The subject matter was dense. Those of you who observed trial know, however, that the jury paid close attention to the witnesses and carefully reviewed the documents throughout the seven weeks of trial. Further, the jury's questions during their deliberations demonstrated a comprehensive review of the evidence.

This was an important case to the citizens of Delaware. Wilmington Trust Company was the preeminent financial institution in the state. Founded more than 100 years ago by the DuPont family, Wilmington Trust was the gold standard. The bank's demise was a significant development—significant to the Delaware community and especially the bank's employees, shareholders and customers.

The defendants' actions contributed to the bank's demise. They loaned money to a small group of real estate developers when other banks were adopting a more cautious approach under the then existing difficult economic conditions. Many of these commercial loans came due in 2009. That was the moment of truth. Defendants made the conscious decision to lie about hundreds of millions of dollars in matured, past due loans.

Defendants' failure to disclose these past due loans was significant. The volume of past due loans is a key metric for regulators and investors when evaluating the condition of an institution's loan portfolio.

Defendants were a victim of their own arrogance. They convinced themselves that they knew better. They rationalized that it was somehow acceptable to waive over 300 million in matured, past due loans and mass extend another 500 million dollars in commercial loans without proper due diligence—because they knew better. The fact is that defendants' disclosure obligations were clear. They had an absolute responsibility to disclose these past due loans to the Federal Reserve, the SEC and the public. The failure to make these disclosures is particularly troublesome when defendants went to the market and asked the public to invest 287 million in capital in the Bank in February 2010. The public had the right to know how the Bank was keeping score. Based on the Bank's disclosures in the third and fourth quarter of 2009, no one could have known the true condition of Wilmington Trust's loan portfolio.

The jury understood these facts. People who have mortgages, car loans, and credit cards understand that there are no loan extensions or waivers. When the bill comes due banks expect to be paid—period.

Finally, I want to thank the Assistant United States Attorneys and the agents who worked this case. Recently it's become a bit of a sport to ridicule the DOJ, the FBI and other federal agencies. I won't comment further on this issue globally, but I can speak to the agents and attorneys who work in Delaware. They are among the finest professionals in law enforcement. Robert Kravetz and Lesley Wolf have worked this investigation/prosecution for seven years. Jamie McCall has been with the team for the last three years. Dave Bole and Greg Mrozek from the FBI have been on this case from the beginning, along with Anthony Lopiccolo from IRS and Brendon Clark from SIGTARP. The case could not have reached this conclusion without their years of sacrifice and dedication. I am so proud of these professionals and the entire United States Attorney's Office for the District of Delaware. Prosecuting a case of this size and complexity requires contributions from literally everyone in the office. I could not be more appreciative of their hard work.

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