

PRESS RELEASE



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 Assistant U.S. Attorney

Madison, Wisconsin -- Stephen P. Sinnott, United States Attorney for the Western District of Wisconsin, announced that Mark R. Hardyman, DOB: 9/9/1954, of 203 West Wilson, #4, Blanchardville, Wisconsin, plead guilty today to a one count information charging him with bank fraud. At the plea hearing, Hardyman, the former President and member of the Board of Directors of the First National Bank of Blanchardville, acknowledged devising a scheme to defraud the bank of its right to receive honest services. The scheme to defraud involved:

- providing false information to the Board of Directors;
- substantially exceeding the bank's lending limits;
- issuing unauthorized loans;
- filing false reports with regulators and causing bank records to be altered to mislead federal auditors;
- soliciting \$17 million worth of worthless checks which were deposited to a customer's account to reduce the overdraft status on the account and reduce delinquent loan accounts;
- falsifying minutes of the Board of Directors meetings;
- placing false loan notes in loan files;
- failing to follow banking regulations regarding the classifications of loans.

As a result of the defendant's fraudulent activities, the bank failed in May of 2003, resulting in a \$13 million loss to the FDIC insurance fund. Sentencing is scheduled for July 24, 2006 at 1:00 pm. Hardyman faces a maximum penalty of 30 years in prison, a \$1,000,000.00 fine, and the entry of an appropriate restitution order.

The charges against Mark R. Hardyman were the result of an investigation conducted by the Madison Resident Agency of the Federal Bureau of Investigation, the Office of Inspector General for the Federal Deposit Insurance Corporation, the Criminal Investigation Division of the Internal Revenue Service, and the Office of the Inspector General for United States Department of Agriculture. Prosecution of the case is assigned to Assistant U.S. Attorney Grant C. Johnson.

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