



Department of Justice

United States Attorney Billy J. Williams
District of Oregon

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BANK OF OSWEGO EXECUTIVES SENTENCED TO FEDERAL PRISON AFTER JURY CONVICTION FOR FRAUD

PORTLAND, Ore. – Today in federal court, Dan Heine and Diana Yates were sentenced to 24 and 18 months in prison, respectively, for bank fraud and falsifying bank entries, reports, and transactions.

A jury convicted Heine and Yates, former executives at the Bank of Oswego in Lake Oswego, Oregon, of one count each of conspiracy to commit bank fraud and twelve counts each of falsifying bank entries, reports, and transactions in a trial ending in November 2017.

“Dan Heine and Diane Yates orchestrated one of the largest and most complex bank fraud schemes in Oregon’s history. Their selfish acts of greed are deplorable,” said Billy J. Williams, U.S. Attorney for the District of Oregon. “While we urged the court to impose longer sentences, these sentences still serve as a warning to bank executives and others entrusted with fiduciary responsibilities. We will continue to work with federal investigators to protect investors and ensure the trustworthiness of our financial institutions.”

“For centuries, the American banking system has served as the bedrock of the U.S. economy. Honest bankers are critical to our financial system. By addressing lies and conspiracies at the Bank of Oswego, the FBI and Department of Justice have helped re-establish the integrity of the financial system we all rely on,” said Renn Cannon, Special Agent in Charge of the FBI in Oregon.

Dan Heine, a co-founder of the bank, was president, Chief Executive Officer (CEO) and member of the board of directors from September 2004 through September 2014. Diana Yates was executive vice president, Chief Financial Officer (CFO), and secretary of the board of directors from 2004 through March 2012. During the conspiracy Heine and Yates concealed the true financial condition of the bank to regulators and the board of directors by falsely reporting that the bank had title to a property in a straw buyer transaction, falsely reporting that delinquent loans were paid, and falsely reporting the sale of bank owned property.

A forfeiture and restitution hearing has been scheduled for August 7, 2018. The case was investigated by the FBI and the Federal Deposit Insurance Corporation Office of Inspector

General (FDIC-OIG) and prosecuted by Claire Fay, Quinn Harrington, and Michelle Kerin,
Assistant U.S. Attorneys for the District of Oregon.

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