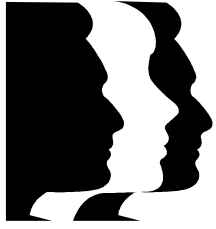


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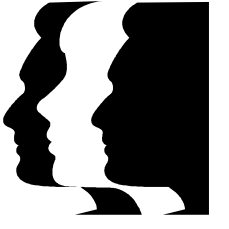


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Bent Bank Examiner Walks

Local bank examiner avoids trial, gets slap on wrist, record erased and keeps job

by Tonya Brantley
Managing Editor

With financial turmoil striking the world and a \$700 billion dollar bail-out for the United States financial system, confidence in the financial market is waning. Even though there's been an injection of government money, people are losing confidence in the banking system. Federal regula-

tors are scrambling to improve their image after failing to control the downward spiraling mortgage crisis. International money markets have been rocked by the failure of US regulators to do their job effectively. Much of the blame is being leveled against state regulatory bodies that are charged with overseeing banking at the local level. In Tennessee, regulators are experiencing

their fair share of image problems but do not seem to be exhibiting as much enthusiasm to correct them as their federal counterparts. One local bank examiner accused of offering to fix the books of an Athens finance company, avoided going to trial and the resulting public scrutiny by invoking what is called diversion. With the help of the legal system, he was able to dodge all real punishment

and even have all record of the event wiped out.

On June 19, 2008, the Tennessee Bureau of Investigation arrested John Mark Stewart, 32, a Cleveland, TN resident, and booked him into the McMinn County Jail on a \$20,000 bond after he was indicted by the McMinn County Grand Jury on four counts of official misconduct. Stewart worked as a loan examiner for the Tennessee Department of Financial Institutions. His job was to perform audits, examine records, assess and evaluate the performance of various banks, bank branches and lending institutions with regards to compliance to regulations, laws, bank policies and procedures. He attempted to use his position to gain an unfair advantage, although Assistant District Attorney for the 10th Judicial District, Andrew Freiberg said no actual services were rendered and no money ever changed hands.

According to McMinn County Criminal Court records, the four counts of official misconduct read as follows: The Grand Jurors upon their oath do present that John Mark Stewart on or between the 1st day of May, 2008 and the 17th day of June, 2008, in McMinn County, Tennessee, and before the finding of this indictment, a public servant as an examiner with the Tennessee Department of Financial Institutions, did unlawfully and

intentionally or knowingly, with the intent to obtain a benefit, to wit: the satisfaction of personal debt, commit an act relating to the servant's office or employment that exceeds the servant's official power, commit and act under color of office or em-



John Mark Stewart
Photo from TBI Media Release

ployment that exceeds the servant's official power, refrain from performing a duty that is imposed by law or that is clearly inherent in the nature of the servant's office or employment, and violate a law relating to the servant's office or employment in violation of T.C.A. 39-16-402, all of which is against the peace and dignity of the State of Tennessee.

Information from a media release from the Tennessee Bureau of Investigation states that Stewart was investigated by the T.B.I. after the District Attorney requested agents to look into allegations of inappropriate business conduct. Stewart was accused of approaching Stan Womac, president of First Financial of Tennessee in

Athens, TN, and offering to examine his financial records for a fee. Stewart's offer was to work secretly and check the books twice monthly for a fee of \$25,000. The fee was to insure that the business would always pass an examination by the Tennessee Department of Financial Institutions and avoid any current or future fines levied by the department. Womac informed the police about the offer made by Stewart. Included in the T.B.I.'s investigation were recorded conversations in which Stewart was trying to bribe Stan Womac. When asked to comment about this ordeal with Stewart, Womac said, "I hated it for the boy, him and his family, but I don't do business that way. I was really shocked when it happened, but I couldn't go along with it." Immediately following his arrest, Stewart was placed on administrative leave by the Tennessee Department of Financial Institutions and is believed to have continued to draw his state salary as a bank examiner.

On September 29, 2008, Criminal Court Judge Carroll Ross, granted Stewart what is called pre-trial diversion. To satisfy Ross' order, Stewart must participate in a pre-trial diversion project for one year without any additional violations.

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