



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JUNE 11, 2008
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CRM
(202) 514-2007
TDD (202) 514-1888

TEXAS BUSINESSMAN FOUND GUILTY OF SUBMITTING FALSE STATEMENTS TO FEDERALLY INSURED BANK

WASHINGTON – A federal jury convicted a Sherman, Texas, businessman on two counts of submitting a false statement to a federally insured financial institution, Acting Assistant Attorney General Matthew Friedrich announced today. The charges arose from a multi-district investigation conducted by the Federal Bureau of Investigation (FBI) and Internal Revenue Service (IRS) Criminal Investigation Division.

The evidence at trial showed that on two occasions in 2006, James W. Sandlin, 57, failed to disclose a \$996,000 debt obligation in personal financial statements submitted to Independent Bank in Sherman. Sandlin had borrowed the funds from a retired Sherman couple. Sandlin was indicted in the Eastern District of Texas on Nov. 15, 2007. At sentencing, Sandlin faces a maximum penalty on each count of 30 years in prison and a fine of up to \$1 million.

Sandlin is charged in a separate indictment returned on Feb. 22, 2008, in the District of Arizona with conspiracy, honest services mail and wire fraud, and extortion related to the sale of property he owned in Cochise County, Ariz. Also named in that indictment are Richard G. Renzi, of Flagstaff, Ariz., the U.S. Representative from Arizona's first congressional district and Andrew Beardall, of Rockville, Md., Renzi's business associate. The trial in that case is scheduled to begin on Oct. 14, 2008, in Tucson, Ariz.

These cases are being prosecuted by Senior Trial Attorney Andrew Levchuk and Trial Attorney John P. Pearson of the Criminal Division's Public Integrity Section, headed by Section Chief William M. Welch II, with the assistance of Assistant U.S. Attorney Gary Restaino in the District of Arizona case. These cases are being investigated by the FBI and IRS Criminal Investigation Division.

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