



**UNITED STATES ATTORNEY'S OFFICE**  
*District of Minnesota*

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FOR IMMEDIATE RELEASE  
May 25, 2016

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**FORMER BANK CEO SENTENCED TO 18 MONTHS FOR OBSTRUCTING AN  
EXAMINATION BY THE FEDERAL RESERVE BOARD**

United States Attorney Andrew M. Luger today announced the sentencing of TIMOTHY PAUL OWENS, 55, to 18 months in federal prison for obstructing an examination by the Board of Governors of the Federal Reserve (Federal Reserve Board). OWENS was indicted on December 15, 2014, and pleaded guilty on July 30, 2015. He was sentenced today before Judge Ann D. Montgomery in U.S. District Court in Minneapolis, Minn.

“Mr. Owens’ obstruction of a Federal Reserve Board examination is the type of criminal conduct that harms federal regulators’ ability to appropriately supervise banking institutions,” said Mark Bialek, Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau. “Today’s sentencing is another step in a joint effort with our law enforcement partners to hold accountable those who undermine the integrity of the examination process.”

“The integrity of the examination process is central to ensuring the safety and soundness of the nation’s banking system,” said Fred W. Gibson, Jr., Acting Inspector General for the Federal Deposit Insurance Corporation. “When a bank official misuses his position of trust to obstruct that process, he needs to be held accountable. The Federal Deposit Insurance Corporation Office of Inspector General is pleased to have joined the U.S. Attorney’s Office and our law enforcement colleagues in assisting with this case and bringing about today’s sentencing of Mr. Owens.”

“This case is a perfect example of how well various law enforcement agencies in Minnesota work together to combat financial crimes,” said Assistant U.S. Attorney Robert Lewis. “Agents from OIG and FBI worked together to get to the bottom of Mr. Owens’ conduct. That level of cooperation makes these prosecutions possible.”

According to the defendant’s guilty plea and documents filed in court, OWENS served as CEO and Chairman of Voyager Bank (“Voyager”) and the President and CEO of Voyager Financial Services Corporation (“VFSC”). In June 2009 the Federal Reserve Board (“FRB”) conducted an examination of VFSC, focusing specifically on loans made to VFSC insiders, including

OWENS. During the examination, FRB representatives found that VFSC had issued four direct loans to OWENS, totaling more than \$5.4 million, and had purchased participation in a letter of credit (“LOC”), worth \$7.5 million, obtained by OWENS from another bank.

According to the defendant’s guilty plea and documents filed in court, the FRB formally demanded in writing that the VFSC Board of Directors review OWENS’ loans and submit documentation showing that the loans to OWENS had been reviewed by the Board of Directors and were consistent with existing bank policies. On July 7, 2009, OWENS received the letter from the FRB, but did not disclose it to the VFSC board, and secretly prepared a response that was false and misleading. OWENS’ response to the FRB stated that the VFSC board had reviewed the loans, that OWENS had only three loans and had exclusive access to a \$3.6 million family trust, that the board had approved his loans pursuant to a revised loan policy, and that OWENS was reducing his overall debt levels. In addition, OWENS submitted a false and misleading three-page “Policy Statement” that had not been approved by the VFSC board; he also submitted documents that inaccurately portrayed his financial circumstances and ability to repay his loans by exaggerating his wealth and concealing his liabilities.

This case is the result of an investigation conducted by the Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau; the Federal Deposit Insurance Corporation, Office of Inspector General; the Federal Housing Finance Agency, Office of Inspector General; and the Federal Bureau of Investigation.

The Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau provides independent oversight to improve their programs and operations and to prevent and detect fraud, waste, and abuse.

Assistant U.S. Attorney Robert Lewis prosecuted this case.

Defendant Information:

TIMOTHY PAUL OWENS, 55  
Wayzata, MN

Convicted:

- Obstructing Examination of a Financial Institution, 1 count

Sentenced:

- 18 months in federal prison
- 2 years supervised release

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