



U.S. Department of Justice

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NEWS RELEASE

Western District of Oklahoma

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**GOLD BANC TO PAY \$16 MILLION
TO RESOLVE CLAIMS OF INFLATING INTEREST RATES
AND CHARGING EXCESSIVE FEES ON AGRICULTURE LOANS**

Robert G. McCampbell, United States Attorney for the Western District of Oklahoma, announced today that Gold Banc Corporation, Inc., a Kansas corporation, and Gold Bank, a Kansas bank (the successor by merger to Gold Bank, an Oklahoma bank, and Gold Bank, a Florida bank) (collectively "Gold Banc"), has paid the United States \$16 Million to resolve claims that the company improperly charged excessive fees to borrowers and inflated the interest rates it charged on federally-guaranteed agricultural loans.

According to the settlement agreement Gold Banc has been a lender of agricultural loans that were guaranteed by the Farm Service Agency (FSA) since October 1, 1992. In addition to issuing federally-guaranteed agricultural loans, Gold Banc also enrolled many of its guaranteed loans in the FSA's Interest Assist Program, which provides for an annual federal interest subsidy of four (4) percent on eligible, federally-guaranteed agricultural loans.

This claim arose when a lawsuit was filed by Roger Ediger, a former farmer and agricultural loan customer of Gold Banc, under the whistle-blower (*qui tam*) provisions of the Civil False Claims Act. Ediger alleged that Gold Banc improperly charged excessive fees to borrowers and inflated the interest rates it charged on federally-guaranteed agricultural loans, which in turn resulted in Gold Banc's submission of false statements and claims for payment to the United States for guaranteed loss claims and interest assist payments. The case is styled United States ex rel. Ediger v. Gold Banc Corporation, Inc., Gold Bank Oklahoma and Gold Bank Kansas, CIV 02-1493-R (W.D. Okla.).

"Today's settlement represents the largest single settlement recovered on behalf of the United States in this district," said U.S. Attorney McCampbell. The \$16 Million settlement was approved today by U.S. District Judge David L. Russell.

This case was handled jointly by the United States Attorney's Office for the Western District of Oklahoma and the Department of Justice Civil Division's Commercial Litigation.

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