

Former Scott Credit Union Commercial Loan Officer Sentenced to Prison on Convictions for Fraud, Misapplication, Money Laundering and False Report

Theodore J. Longust, age 51, formerly from Columbia, Illinois, was sentenced to a total of 121 months in prison as a result of his convictions in a nine-count Indictment charging: Count 1: Financial Institution Fraud; Counts 2 - 5: Misapplication of Funds; Counts 6 - 8: Money Laundering; and Count 9: Making a False Record to Scott Credit Union With The Intent to Deceive, the United States Attorney for the Southern District of Illinois, Donald S. Boyce, announced today. Theodore J. Longust was an employee of Scott Credit Union in the commercial loan department from November 7, 2005 continuing through December 8, 2014 and held the title of Business Relationship Manager. Theodore J. Longust executed a scheme to defraud through the embezzlement of credit union funds, the creation of fraudulent loans, the payment of loans through the misapplication of funds from other loans, the increase of credit limits on loans that did not have the requisite board approval, the issuance of business loans without the required documentation or security, and the issuance of letters of credit without the required documentation and security. He also knowingly submitted a false report to Scott Credit Union for the 3rd quarter of 2014 that misstated loan balances and omitted loan amounts and underreported loans of over \$12,000,000. There was evidence at sentencing that the overall loss to Scott Credit Union, which included criminal and civil losses, was approximately \$25.8 million. Criminal direct losses were