



*Bank deposit mo, protektado!*

## **NEWS/PRESS RELEASE**

PR-108-21

**Date of Release:** December 22, 2021

**FOR IMMEDIATE RELEASE**

### **DOJ indicts former consultant, directors of SFDM Rural Bank, Inc. for fictitious loan charges**

The Department of Justice (DOJ) Task Force on Financial Fraud (TFFF) has indicted the former consultant and directors of the closed San Francisco Del Monte Rural Bank, Inc. for creation of fictitious loans, a criminal offense under Republic Act No. 3591, as amended, or the Charter of the Philippine Deposit Insurance Corporation (PDIC).

As the Statutory Receiver of the closed San Francisco Del Monte (SFDM) Rural Bank, Inc., the PDIC took over the bank in November 2018. Upon its review of the bank's records, fictitious loans created by the respondents aggregating ₱25.88 million were discovered. These fraudulent loans lacked borrowers' signatures and related loan documents. Supposed borrowers also provided testimonies that they neither received nor benefitted from the purported loan proceeds.

In its Resolution dated 26 May 2021 in relation to NPS Docket No. XVI-INV-20L-00458, the DOJ concluded that there is more than enough evidence for the indictment. Creation of fictitious loans is punishable by imprisonment of six to 12 years, or a fine of ₱50,000 to ₱10 million, or both, at the discretion of the court, under the PDIC Charter.

The PDIC remains relentless in its pursuit of justice against erring bank owners, officers, and unscrupulous parties who take advantage of the deposit insurance system for their gain. The Corporation's vigorous legal actions are crucial for protecting the interests of depositors, safeguarding the Deposit Insurance Fund; and deterring bank officials and individuals from abusing the deposit insurance system.

\* \* \* \* \*

*The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963, by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing deposit insurance. Effective June 1, 2009, the maximum*

deposit insurance coverage is ₱500,000 per depositor. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. A joint account shall be insured separately from any individually-owned deposit account.

PDIC news/press releases and other information are available at the website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

Corporate Communications Dept.

Tel: (02) 8841-4636 to 39

Trunkline: (02) 8841-4000

Website: [www.pdic.gov.ph](http://www.pdic.gov.ph)

Email: [ccd@pdic.gov.ph](mailto:ccd@pdic.gov.ph)

Facebook: [www.facebook.com/OfficialPDIC](http://www.facebook.com/OfficialPDIC)

Twitter: [@OfficialPDIC](https://twitter.com/OfficialPDIC)