



An executive convicted of orchestrating a \$3 billion fraud as chairman of one of America's largest private mortgage companies was sentenced Thursday to 30 years in prison. Federal prosecutors in northern Virginia had sought a life sentence for Lee Farkas, former chairman of Florida-based Taylor Bean & Whitaker.

They called the case against him one of the most significant arising from the nation's financial meltdown. A federal jury in Alexandria convicted Farkas in April of all 14 counts, including securities fraud and conspiracy.

Farkas testified that he had done nothing wrong.

The fraud began in 2002 and took multiple forms, prosecutors said. Taylor Bean overdrew its main account with Colonial Bank by several million dollars and eventually double- and triple-pledged mortgages it held to a variety of investors. Prosecutors also alleged that Taylor Bean sold hundreds of million in worthless mortgages to Colonial.

Prosecutors say Farkas led a lavish lifestyle that included multiple houses — including one on Key West— several dozen classic cars, a private jet and a seaplane.

Farkas, of Ocala, Fla., is the last of seven employees and executives from Taylor Bean and from Colonial to be sentenced. Taylor Bean collapsed in 2009 when the scheme unraveled, putting 2,000 employees out of work.

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