

This document is written to provide information for four Purposes:

September 22, 2015

*Governor Haley*  
To engage the Federal Bureau of Investigation to prosecute illegal activities in the loan scam against Carolina Procurement Institute, Inc., (CPI) and Gary & Michele Washington.

To explain the process of what took place from the beginning to end of all the parties and their actions that led to the illegal activity concerning the loan, the fraudulent appraisal and the bank's determined demise of CPI.

To request federal criminal charges be brought against the banks, administrative personnel, attorneys, appraisers, and City of Columbia officials that took part in the injury of CPI.

To recover funds from the loan funds, its reasonable interest, and expenses that CPI have incurred to have the truth concerning this fraud be brought to light, and for justice to take its course.

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Gary and Michele Washington created a small business, consulting firm, Carolina Procurement Institute, Inc., (CPI) that source procurement opportunities for its clients based on a fee and a percentage of the awarded contracts offered in an assorted professions. Gary is CPI's president and Michele its vice president.

In marketing his consulting business, Gary met some businessmen who invited him to a bible study on the 4<sup>th</sup> floor of BB&T headquarters, then on Assembly Street, downtown Columbia, SC. Through the bible study, Gary met Mike Brennan, President of the BB&T Bank. After learning from Mike that real wealth is gotten through ownership of property, Gary sought to purchase a facility for the growth of generational wealth for himself and his family. It was agreed, between Gary and Mike, that if Gary brought his clients to open accounts with the BB&T bank that BB&T would help Gary secure an office building where he could grow his business and own commercial property.

Gary referred several clients from his consulting business to open accounts with BB&T. BB&T then assigned John Bumgardner, BB&T's Mortgage Loan Manager, to assist Gary in finding and financing a building. Gary and John located property for sale at 1815 & 1811 Gervais St. Gary was provided the cost of the building. This cost was based on Richland County Tax Assessor's Office, see attachment 1: Market Value of Properties. BB&T provided their loan application and the requirements for securing a loan to purchase the buildings. Gary had neither the income nor financing to purchase the buildings. John helped to prepare Gary's loan paperwork to secure the loan while BB&T engaged its contract appraiser to conduct the appraisal, see attachment 2. BB&T insisted that I use their appraisal. Once the appraisal was received BB&T made the loan for \$453,000 for the properties in one loan, see attachment 3: Check of Closing Attorney.

In conjunction, funds were provided by the City of Columbia's Commercial Revolving Loan Fund (CRLF) approval, see attachment 4: Check of Closing Attorney. The properties were warehouses for storing office furniture with a few offices worth approximately \$175,000, at most.

The loan was based on Carter Commercial Appraisal Group, Inc., inflated appraisal price which BB&T well knew, attachment 5: Inflated Appraisal. BB&T sold the properties to Gary & Michele Washington. Gary now is aware that the loan was a sham against his company, CPI. The City of Columbia CRLF provided a portion of the loan from the government revolving fund to secure the properties, attachment 6: Email Congratulations. These funds were to be provided for the renovations of the facilities whereas 3,000 sq. ft. were not usable and still not to this present day.

The City of Columbia was aware that the funds were to go for renovations and to be provided to Gary in increments based on the renovations. A check was provided to Gary in the amount of \$197,704.80, then taken by Tameika Isaac Devine. The First Citizens Bank was the bank where Gary was making monthly payments on the loan. At no time did First Citizen provide monies for renovation. The City of Columbia provided the loan after its loan committee approved Gary's application, BB&T appraisal and payback terms. When Gary requested funds from the City of Columbia he was told that he needed to sign more loan documents. Gary refused to sign any other documents to receive the funds that were already in the loan for purchase of the buildings and renovations. Attorney Devine contacted Gary several times and the City of Columbia contacted Gary to follow through with signing the requested papers. Gary believes Attorney Devine had a direct conflict of interest in the loan closing. She worked for the City of Columbia and also was the closing attorney on Gary's loan. Attorney Devine was getting paid from both sides so she had no interest in Gary getting a proper loan or protecting his interest. She, along with others, has also hindered, through the City of Columbia Zoning Committee, Gary from receiving a copy of approved plans for the renovations of the basement of the 1815 Gervais building.

Gary believes that the City of Columbia conspired to use federal funds to attach a loan on him and CPI for twice its real value then tried to persuade him to sign documents accepting terms for a sale of the properties as secured properties instead of the real agreement which was the purchase and renovation of said properties, attachment 7: City of Columbia's City Council Special Called Meeting by Mayor Stephen Benjamin, dated February 26, 2014.

The City of Columbia conducted no appraisal and permitted BB&T appraisal, which was a fraud, to be used as their basis of the property market value. BB&T's appraisal is a fraud and is twice the actual Market Value of 1815 & 1811 Gervais Street properties.

Gary believes the City of Columbia, BB&T, First Citizens and SC Community Bank now have conspired to take the said properties and sell them. Gary has placed a great deal of sweat equity in these properties and has contracts (HubZone Set-A-Side) that would be lost should there be a material change in his financial situation from when he first applied for the coveted HubZone Certification. Gary stands to lose approximately \$1 million in awarded government contracts. Gary and Michele have filed Chapter 11 on CPI to protect their interest. Based on an earlier filing of Gary & Michele, due to family illness, Judge David Duncan ruled that the properties were unsecured and NOT secured by the loan instruments filed with the Richland County Courthouse.

South Carolina Community Bank and the City of Columbia have conspired together to execute an appraisal whereas the City of Columbia paid half of the appraisal fee and Tom Felder, president of SC Community Bank, paid the other half in hopes that Gary would accept the debt of over \$450,000, attachment 8: City of Columbia and SC Community Bank Appraisal.

This makes it clear that SC Community Bank, Mr. Tom Felder, and Attorney Nelson Weston well knew during the personal Chapter 11 that there is a great deal of equity in the property but yet lied and told Judge Duncan within the Certification of Facts (case number 14-005589-dd) that in the Basis of Relief, Debtor has no equity, lack of adequate protection, attachment 9: Motion Remove Stay, see page 9, paragraph 4. The appraisal was done in April 2014 and the Motion filing of NO equity was January 2015. It is crystal clear there is equity in the properties. It is even clearer that over 16 years Gary have already paid nearly \$480,000. (16 yrs having property x 12 months per yr x \$2,500 per month equals \$480,000).

South Carolina Community Bank tried to foreclose on this property several times and finally came to a settlement agreement and then backed out. Gary believes that based on Judge Duncan's ruling that the City of Columbia had no secured interest in the properties. That then begs a reasonable question as to why would they (City of Columbia) used taxpayer's money on an appraisal that they had no interest? Gary believes because the City of Columbia is desperate to recover these funds as they well know that they made a loan that should have never taken place and now trying to saddle Gary and CPI with the burden of payback.

Gary believes the property should have been sold to him for a small amount over the true Market Value with no agreement of renovations. Then provide him a new loan for renovations apart from the initial loan to ensure that the loan amount for renovations is not financed into the loan purchase. Instead, the City of Columbia conspired with BB&T to inflate price of the appraisal.

Gary believes that the corruption of the initial loan to CPI is the core of why the current loan is in foreclosure.

Gary believes he has paid for the properties in full. The \$197,704.80 never went to him, but on paper the loan was granted to him and Michele. The above amount was supposed to be loaned to him for renovations, but they never received the money, and that is why Gary did not sign the papers. The City of Columbia then wrote off the debt and filed it against Gary taxes which he now has to pay taxes on for monies he never received. Attachment 10: IRS filing from First Citizen tax document.

First Citizen Bank is also liable as they received a fee for processing the loan and receiving payments from the City of Columbia and they did NO due diligence to verify if it was a valid loan. So in fact, Gary believes he and his family have been stuck with a \$197,704.80 debt from City of Columbia and a \$159,000 tax debt from First Citizen.

First Citizen also has received payments on Loan 0020000431 on behalf of the City of Columbia, and still requesting \$14,657.86. See attachment 10.

This travesty is all because of the BB&T, City of Columbia, SC Community Bank and First Citizen Bank have conspired to take Gary's small business and his properties for a bad loan they made through fraud and

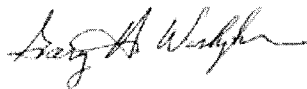
deception. It was all based off of a fraudulent appraisal done by Carter Commercial Appraisal Group, Inc. and BB&T, along with the City of Columbia.

Gary believes if he had signed the documents that Attorney Devine's Law Firm and the City of Columbia wanted him to sign his business and properties would have been lost. When reading and understanding minutes from a Special Meeting of Columbia's City Council it was rightfully concluded that there is a Conflict of Interest and there was mention of renovations of the properties. No one seems to know where the transaction files are now. Gary believes that many loans and small businesses have gone under because of dealings like this one. And, mostly likely the SC Community Bank ends up with the small business property to sell all over again while bankrupting that small business in which the government intended to help. Gary also believes this is a planned action and not just ineptness on the part of BB&T and SC Community Bank to commit fraud on appraisals.

I have forwarded my complaint and request for formal investigation to Attorney Elizabeth Warren, assistant US Attorney, for her determination and action. I also intend to forward a similar packet of information to the Small Business Administration and other entities for the investigation of fraud. There is NO statute of limitation on recovering government money.

Gary believes that he should be paid in full. Specifically, that the loan should be wiped clean to zero and property deeded to him clear and free, that the chapter 11 be withdrawn and \$2 million from each, BB&T, City of Columbia, South Carolina Community, Jabber, Gray & Isaac, PA, and First Citizen Bank be paid to him and his family within 2015.

CPI, Gary and Michele have been seriously injured and have paid dearly since this ordeal started. We have no intention of giving over our investment to bankers and City of Columbia officials. This corruption must be dealt with firmly, exposed and systems put in place to preclude such fraud, waste and abuse against the minority small business owners.



Gary A. Washington, President  
Carolina Procurement Institute, Inc.

Attachment:

1. Market Value of 1811 & 1815 Gervais Prior to Purchase
2. Fraudulent Appraisal, Carter Commercial Appraisal & BB&T
3. Check From Potts Law Firm
4. Check From Jabber, Gray & Isaac, PA- Tamika Devine
5. Email from Bob Burch, CRLF Loan Approval 200k
6. City of Columbia Council Special Meeting of Facts
7. Appraisal of City of Columbia and SC Community Bank
8. Remove Stay, Certification of Facts
9. IRS filing of First Citizens Tax against CPI
10. First Citizens Bank Mortgage Invoice
11. Honest and True Appraisal

12. Motion to correct Error and

