



THE UNITED STATES ATTORNEY'S OFFICE  
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**Department of Justice**

U.S. Attorney's Office

Northern District of Alabama

FOR IMMEDIATE RELEASE

Thursday, July 8, 2021

## **Vestavia Hills Father and Son Arrested in Bank Fraud Scheme**

BIRMINGHAM, Ala. – Today, a father and son were arrested and charged in a bank fraud scheme in which they provided fraudulent information to financial institutions for the purpose of purchasing boats, luxury vehicles, and heavy equipment, announced U.S. Attorney Prim F. Escalona and Federal Bureau of Investigation Special Agent in Charge Johnnie Sharp, Jr.

A 26-count indictment filed in U.S. District Court charges **Christopher A. Montalbano**, 38, of Vestavia, and **Gus Anthony Montalbano**, 75, of Vestavia, with conspiracy to commit bank fraud, false statements on a loan application, and money laundering. Christopher Montalbano was also charged with aggravated identity theft and bank fraud. Christopher Montalbano and Gus Montalbano were arrested at their respective homes in Vestavia.

According to the indictment, from 2015 through February 2020, the Montalbano's conspired to submit fraudulent information regarding their income to numerous financial institutions in support of numerous fraudulent loan applications to purchase boats, luxury vehicles and heavy equipment. The defendants submitted fraudulent personal and corporate financial statements, tax returns, pay stubs, W-2s, invalid Hull Identification Numbers (HINs), and invalid Vehicle Identification Numbers (VINs) in support of the loan applications. In addition, the defendants applied for and obtained multiple loans for the purpose of purchasing a luxury vehicle without disclosing that they had already financed the purchase of the same luxury vehicle with a different financial institution. The funds obtained from the fraudulent loans were used to pay for personal living expenses and make loan payments owed to other financial institutions.

In March 2018 and September 2018, Christopher Montalbano fraudulently used the identity of another individual on an application for loans submitted to USAA Bank.

The indictment also charges Christopher Montalbano with bank fraud due to the violation of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. On April 29, 2020, Montalbano submitted to Cross River Bank a fraudulent PPP loan application for LSA Corporation. Montalbano fraudulently represented that the funds he sought for LSA Corp. would "be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments" when, in fact, he intended to use the funds he obtained from the PPP for personal expenses. On April 30, 2020, Cross River Bank approved and deposited \$58,153.00 into the LSA Corporation's bank account.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice, in partnership with agencies across government, to enhance efforts to combat and prevent pandemic-related fraud. The Task Force assists agencies tasked with administering relief programs to prevent fraud by augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit

<https://www.justice.gov/coronavirus>.

Anyone with information about fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The Federal Bureau of Investigation investigated the case. Assistant U.S. Attorneys Robin B. Mark and Kristen Osborne are prosecuting the case.

An indictment contains only charges. A defendant is presumed innocent unless and until proven guilty.

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**Topic(s):**

Coronavirus

Financial Fraud

**Component(s):**

Federal Bureau of Investigation (FBI)

USAO - Alabama, Northern

Updated July 8, 2021