



Department of Justice

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FOR IMMEDIATE RELEASE
Friday, August 12, 2011
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FORMER MORTGAGE BROKER FOR MID-AMERICAN MORTGAGE SENTENCED FOR PROVIDING FALSE STATEMENTS TO A FINANCIAL INSTITUTION

DES MOINES, IA- On August 12, 2011, Gregory Robert Beck, age 36, of Ankeny, Iowa, was sentenced to four months imprisonment and four months house arrest, followed by five years of Supervised Release for providing False Statements to a Financial Institution in 2006. United States District Court Senior Judge Ronald Longstaff also ordered Beck to pay restitution in the amount of \$901,000, and pay a \$100 Special Assessment.

On February 11, 2011, Beck had entered a guilty plea in Federal Court in Des Moines, Iowa, to violating Title 18, United States Code, Section 1014. Beck entered his plea pursuant to a plea agreement made with the United States Attorney's Office for the Southern District of Iowa. As part of the plea agreement, Beck agreed to pay restitution to defrauded financial institutions.

On June 16, 2006, Beck submitted a loan application containing false financial statements and other fraudulent information to allow co-defendant, Ronald Lee Wheeler, to obtain a residential mortgage from Wells Fargo Bank. The investigation, conducted by the FBI, provided the basis for this prosecution and showed the following facts:

In June and July of 2006, Ronald Lee Wheeler acted as a "straw buyer" for the purchase of residential property in Ankeny, Iowa, for a company formed by Russell Eugene Blessman, called "International Acquisitions, Inc." International Acquisitions, Inc. was in the business of purchasing and "rejuvenating" properties, which would then receive a higher appraisal leading to a higher resale price. To obtain mortgages to purchase properties, International Acquisitions,

Inc., would identify a “client” to purchase the property as an investment opportunity for the client. To participate in the investment scheme, the “client” would obtain a mortgage from a financial institution in the client’s name, using the client’s credit history, and financial information. The client was told there would be a financial payment to the client for obtaining the mortgage, once the rejuvenated property was sold.

Beck, a mortgage broker working for Mid-American Home Services Mortgage, completed the required paperwork to obtain a loan from Wells Fargo Bank. While preparing to close the loan with Wheeler, Beck learned that the application was fraudulent, in that Wheeler would not be residing at the purchased residence and was not providing the down payment as required for the loan to be approved. To make sure the loan would be made, Beck assisted Wheeler in obtaining the down payment by helping Wheeler get a undisclosed second mortgage from the seller of the property. After assisting Wheeler in obtaining the down payment, Beck submitted the loan request to Wells Fargo without disclosing the false information contained on the application.

Based on the false information in the application, a loan in the amount of \$796,000 was provided by Wells Fargo Bank. In July of 2006, Beck assisted Blessman and Wheeler again by referring them to an associate so they could obtain another loan, this time from Citibank Federal Savings Bank for a second mortgage in the amount of \$484,000. The application submitted to Citibank contained the same false statements and omissions as the first mortgage application.

Both Wells Fargo Bank and Citibank Federal Savings Bank were insured by the Federal Deposit Insurance Corporation, in 2006.

Previously, co-defendant’s Russell Eugene Blessman was sentenced to 51 months in prison and Ronald Lee Wheeler to time served followed by five years of Supervised release.

This case was investigated by the Federal Bureau of Investigation.

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