



Department of Justice

United States Attorney Nicholas A. Klinefeldt
Southern District of Iowa

FOR IMMEDIATE RELEASE
Wednesday, December 14, 2011
<http://www.justice.gov/usao/ias/>

CONTACT: Kevin VanderSchel
(515) 473-9300
kevin.vanderschel@usdoj.gov

TWO DES MOINES AREA DEVELOPERS INDICTED FOR BANK AND WIRE FRAUD

DES MOINES, IA – United States Attorney Nicholas A. Klinefeldt announced today that two Des Moines Area developers have been indicted on bank and wire fraud charges by the United States Grand Jury for the Southern District of Iowa.

The indictment returned by the Grand Jury charges John C. Kline, age 52, and Randal L. Walters, age 54, both of Polk County, Iowa, with two counts of bank fraud and seven counts of wire fraud affecting a financial institution. Bank fraud and wire fraud affecting a financial institution are both punishable by a term of imprisonment of up to 30 years and a fine of up to \$1 million.

The Indictment alleges that Kline and Walters diverted funds from a condominium development project on the south side of Des Moines known as the Meadow Cove project and from a development project west of Des Moines known as the Heritage Hills project. Kline and Walters are charged with diverting funds borrowed for those two projects to pay for a variety of other items and projects causing an estimated loss of \$3,400,000 on the Meadow Cove project and \$467,000 on the Heritage Hills project. Kline and Walters are also charged with causing wire communications to be made in furtherance of the scheme to defraud various Iowa and Missouri banks.

United States Attorney Nicholas Klinefeldt stated that the Federal Bureau of Investigation investigated the alleged offenses and will continue to assist in the prosecution of the cases.

The case has been scheduled for trial on January 30, 2012, at the United States Courthouse in Des Moines.

An indictment is merely an accusation, and all defendants are presumed innocent until and unless proven guilty.

###