



Department of Justice

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Southern District of Iowa

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Ottumwa Man Pleads Guilty in Fraudulent Investment Scheme

*Defendant John Francis Holtsinger misused over \$1.1 million
from Iowa investors between 2005 and 2012.*

DES MOINES, IA – United States Attorney Nicholas A. Klinefeldt announced today that John Francis Holtsinger, age 52, of Ottumwa, Iowa, has pled guilty to five counts of wire fraud and one count of tax evasion in connection with a fraudulent investment scheme.

Holtsinger admitted to soliciting and receiving more than \$1.1 million from investors in the State of Iowa between 2005 and 2012. Holtsinger represented to the investors that he would put their money into investment accounts; however, he actually used most of it for personal expenses or to pay back investors whose money he had misappropriated earlier. Holtsinger admitted that he ended up exhausting all the funds he received from investors. He then attempted to conceal his fraud by falsely informing the investors that their funds had been frozen as a result of actions taken by state or federal authorities. In reality, the funds were gone.

Holtsinger also admitted to attempting to convince investors to lie to law enforcement officers regarding the purpose of the funds they had given him. He instructed them to describe their payments to him as “interest free loans,” when in reality they were investments. Holtsinger also threatened that anyone who cooperated with law enforcement officers would not be repaid.

In connection with the tax evasion charges, Holtsinger admitted that he took affirmative and willful steps to evade the payment of taxes on the money he was receiving from the investors, such as transferring the funds to bank and brokerage accounts in the name of his mother.

Sentencing will occur on January 17, 2013. If accepted by the district court, Holtsinger's plea agreement will result in a sentence of imprisonment of at least 46 months but not more than 87 months. He also faces fines of up to \$250,000 on each of the five wire fraud charges and up to \$100,000 on the tax evasion charge and will be required to pay restitution to the victims.

This case was investigated by the United States Secret Service, Internal Revenue Service - Criminal Investigation, and Iowa Attorney General's Office, and the case is being prosecuted by the United States Attorney's Office for the Southern District of Iowa.

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