



Department of Justice

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ADDITIONAL CHARGES FILED AGAINST MORTGAGE BROKER AND OTHERS IN FEDERAL MORTGAGE FRAUD CASE

Superseding Indictment Alleges that Paul Kramer Placed Innocent Homeowners at Risk of Foreclosure by Failing to Pay Off Prior Mortgages When the Homeowners Sold or Refinanced Their Properties Through His Brokerage and Closing Companies.

Des Moines, Iowa – United States Attorney Nicholas A. Klinefeldt announced today that 20 additional bank and wire fraud charges have been filed against mortgage broker and closing company owner Paul Kramer, 41, of Granger, Iowa. One additional charge has been filed against Lane Anderson, 37, of Altoona, Iowa, and Dave Mable, 46, of Urbandale, Iowa. All three defendants, as well as Shannon Flickinger, 42, of Earlham, Iowa, were charged last fall with conspiracy to commit wire fraud. Trial is pending in that case.

The Superseding Indictment alleges that Kramer owned and operated a mortgage brokerage, Kramer Mortgage Company, and closing company, Iowa Closing and Escrow, between 2006 and 2010. In late 2006, Kramer Mortgage Company began having financial problems, thus leading Kramer to devise a scheme to defraud U.S. Bank, other financial institutions, and innocent homeowners out of money, property, and property rights.

The Superseding Indictment alleges that Kramer received mortgage payoffs from homeowners who sold or refinanced their homes through Kramer Mortgage Company or Iowa Closing and Escrow. However, he sometimes did not use those funds to pay off the preexisting mortgage, which had often been assigned to U.S. Bank. Instead, Kramer would use the payoff money for other business purposes or for his own personal use. The Superseding Indictment alleges that Kramer's conduct put innocent homeowners at risk of foreclosure even though they never missed a mortgage payment because, unbeknownst to them, their homes remained subject to the unpaid, pre-existing mortgage.

The Superseding Indictment also alleges that Kramer engaged in check-kiting, misused the Iowa Closing & Escrow "Trust" Account by using funds in the account for unauthorized purposes, double-financed properties, and made false and misleading statements to banks and homeowners regarding the

status of the mortgage payoffs. It alleges that he paid himself large sums of money at the same time that he engaged in these fraudulent actions.

The additional charge against Anderson and Mable is for their alleged participation with Kramer in a bank fraud conspiracy involving check-kiting in April and May 2007.

Klinefeldt said the Federal Bureau of Investigation investigated the alleged offenses and will continue to assist in the prosecution of the cases. He said state investigators laid the groundwork for the federal cases through their early investigative efforts. "This is yet another product of the combined federal and state effort to combat mortgage fraud," he said. "We look forward to continuing to work with the Iowa Attorney General's Office on cases like this one."

An indictment is merely an accusation, and all defendants are presumed innocent until and unless proven guilty. Each count of wire fraud, conspiracy to commit wire fraud, bank fraud, and conspiracy to commit bank fraud is punishable by a term of imprisonment of up to 30 years and a fine of up to \$1 million.

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