



# Department of Justice

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Southern District of Iowa

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## **Ottumwa Man is Sentenced to 87 Months Imprisonment for Fraudulent Investment Scheme**

*Defendant John Francis Holtsinger operated a Ponzi scheme in which he essentially stole the retirement savings of numerous Iowa families.*

DES MOINES, IA – United States District Court Judge John Jarvey sentenced John Francis Holtsinger, age 52, of Ottumwa, Iowa, to 87 months imprisonment on wire fraud and tax evasion charges, announced U.S. Attorney Klinefeldt. Judge Jarvey also ordered the federal sentence to be served consecutive to a five-year sentence Holtsinger recently received on unrelated state charges. Holtsinger also was ordered to pay \$948,239.67 in restitution to the victims of his offense, and will have to serve 60 months of supervised release following the completion of his prison term.

In an earlier hearing, Holtsinger admitted to soliciting and receiving more than \$1.1 million from investors in the State of Iowa between 2005 and 2012. He 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 during the earlier hearing 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.

U.S. Attorney Nicholas A. Klinefeldt said the sentence reflects the seriousness of the offense and should have a deterrent effect on others. “These victims thought they were investing their money in a safe place,” he said. “In reality, it was nothing more than a Ponzi scheme. I am pleased that Holtsinger will have to spend more than seven years in jail as punishment for defrauding people who considered him to be a friend, and I hope his sentence will convince anyone else who might be tempted to engage in similar conduct not to do so.”

The case was investigated by the United States Secret Service, Internal Revenue Service, and Iowa Attorney General’s Office, and was prosecuted by the U.S. Attorney’s Office for the Southern District of Iowa.

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