



Department of Justice

United States Attorney Nicholas A. Klinefeldt
Southern District of Iowa

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

Des Moines Area Attorney and Real Estate Agent Convicted of Bank Fraud

DES MOINES, IA - A Des Moines area attorney and real estate agent were both convicted of bank fraud after an eight-day jury trial, announced United States Attorney Nicholas A. Klinefeldt. Attorney Jason Springer was convicted of seven counts of bank fraud, and real estate agent Rick Makohoniuk was convicted of one count of bank fraud, in connection with a property flipping scheme. Bank fraud carries a maximum penalty of up to 30 years in prison, a fine not to exceed \$1,000,000, or both. The court also will be authorized to impose orders of restitution. United States District Judge John A. Jarvey will schedule a sentencing date at a later time.

Springer, Makohoniuk, and three other men were charged with engaging in a scheme to defraud financial institutions from approximately March 2009 to March 2011, involving approximately eighteen homes in and around Des Moines, Iowa, and a loss of approximately \$400,000. Two of the other men, Nathan Smith and Patrick Steven, with the assistance of Springer and others, negotiated short sales with lenders on behalf of homeowners. Smith and Steven also purchased the homes in the short sales while deceiving the lenders into believing that the price Smith and Steven paid in the short sale was the fair market value. In fact, Smith and Steven resold the homes for a higher price the same day they purchased the home in the short sale or soon after, all without the lenders' knowledge. Springer furthered the scheme by

conducting many of the fraudulent real estate closings, including signing and submitting false HUD-1 settlement statements that stated that Smith and Steven paid cash at closing for the short sales. In some cases, Smith and Steven brought no money to closing, whereas in other cases, Smith and Steven provided checks, but there were not sufficient funds in Smith and Steven's bank account to cover the checks they brought to closings. Springer used the proceeds of the resale to fund the short sale. Makohoniuk, a realtor, is alleged to have submitted false documents to a lender with respect to one of the homes involved in the scheme.

The three following defendants charged in the indictment each entered guilty pleas; and are scheduled to be sentenced on May 14, 2015:

- Nathan Smith and Patrick Steven both pleaded guilty to one count of bank fraud; and
- Jerod Hogan, a Des Moines area mortgage broker, pleaded guilty to one count of conspiracy to make a false statement to a financial institution.

This case was investigated by the Federal Bureau of Investigation and the United States Department of Housing and Urban Development-Office of Inspector General, and was prosecuted by the United States Attorney's Office for the Southern District of Iowa.

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