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News Release

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Eagan man sentenced for mortgage fraud

A 37-year-old Eagan man was sentenced today in federal court on counts of wire fraud and aggravated identity theft in connection with a mortgage fraud scheme resulting in losses of more than \$1 million.

On Jan. 28, in Minneapolis, United States District Court Judge Donovan Frank sentenced John M. Rubischko to 87 months in prison and five years supervised release on one count of wire fraud and one count of aggravated identity theft. Rubischko was charged on June 16, 2008, and pleaded guilty on June 27, 2008.

Rubischko was a mortgage broker who owned and operated licensed mortgage broker businesses, including Family First Mortgage, All Fund Mortgage and MortgageBanc.us. From January 2003 through June 2007, Rubischko devised a scheme to defraud and obtain money by means of false and fraudulent pretenses.

With the assistance of financial institution employees, Rubischko used the identities and personal information of other individuals, without their knowledge or authorization, to obtain approximately \$1.8 million in bank loans, bank credit and mortgages. Rubischko used the funds from these transactions to purchase residences and personal property.

Rubischko directed bank employees to notarize forged documents, create false documents, misapply funds from bank loans and credit transactions for his benefit, and conceal the transactions from the individuals whose identities he had used. Rubischko paid the bank employees for these fraudulent actions. According to the plea, Rubischko used his elderly mother's name to purchase a Prior Lake property.

This case was the result of an investigation by the Federal Mortgage Fraud Task Force, including the U.S. Postal Inspection Service and the Federal Bureau of Investigation. It was prosecuted by Assistant U.S. Attorney Joe Dixon.