



# Department of Justice

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## **POLK COUNTY RESIDENT SENTENCED FOR PROVIDING FALSE STATEMENTS TO A FINANCIAL INSTITUTION**

DES MOINES, IA - On July 22, 2011, Russell Eugene Blessman, age 55, of Polk County, Iowa, was sentenced to 51 months in prison followed by three years of Supervised Release for providing False Statements to a Financial Institution in 2006, announced United States Attorney Nicholas A. Klinefeldt. United States District Court Senior Judge Ronald Longstaff also ordered Blessman to pay restitution in the amount of \$821,134.00 and pay a \$100 Special Assessment. On February 25, 2011, Blessman had entered a guilty plea in Federal Court in Des Moines, Iowa, to the charge of violating Title 18, United States Code, Section 1014, of aiding and abetting the submission of a loan application containing false financial statements and other fraudulent information on June 16, 2006, to obtain a residential mortgage from Wells Fargo Bank.

Blessman entered his plea pursuant to a plea agreement made with the United States Attorney's Office for the Southern District of Iowa. Also as part of the plea agreement, a second count of False Statements to a Financial Institution was dismissed; however, Blessman agreed to pay restitution to both defrauded financial institutions.

The investigation, conducted by the FBI, provided the basis for this prosecution and showed the following facts:

In June and July of 2006, co-defendant Ronald Wheeler acted as a "straw buyer" for the purchase of residential property in Ankeny, Iowa, for "International Acquisitions, Inc." a company formed and run by Blessman. Blessman, through International Acquisitions, was in the business of purchasing and "rejuvenating" properties, which would then receive a higher

appraisal leading to a higher resale price. Blessman would identify the properties to be purchased for International Acquisitions and negotiate the purchase price.

To obtain mortgages to purchase properties, Blessman would identify and recruit a “client” to purchase the property as an investment opportunity for the client. To participate in the investment scheme, the “client” would obtain a mortgage from a financial institution in the client’s name, using the client’s credit history, and financial information. The client was told there would be a financial payment to the client for obtaining the mortgage, once the rejuvenated property was sold.

Blessman was sentenced for having co-defendant Ronald Wheeler apply for, and receive, two separate mortgages on the Ankeny, Iowa property. For each, Wheeler falsely represented in loan documents that he intended to make the property his primary residence, failed to disclose the source of the down payment and made false statements in the loan applications regarding his assets and annual income.

The false statements provided by Wheeler were submitted to Wells Fargo Bank on June 16, 2006, through Mid-American Home Services Mortgage. Based on the false information in the application, a loan in the amount of \$796,000 was provided by Wells Fargo Bank. In July of 2006, at the request of Blessman, Wheeler applied to Citibank Federal Savings Bank for a second mortgage in the amount of \$484,000. The application signed by Wheeler contained the same false statements as the June, 2006 application. Both Wells Fargo Bank and Citibank Federal Savings Bank were insured by the Federal Deposit Insurance Corporation in 2006.

On May 20, 2011, Ronald Wheeler was sentenced to time served and immediately placed on five years of Supervised Release and ordered to pay restitution. Co-defendant Gregory Robert Beck is pending sentencing.

This case was been investigated by the Federal Bureau of Investigation, and was prosecuted by the United States Attorney’s Office for the Southern District of Iowa.