



Department of Justice

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Southern District of Iowa

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FORMER CLARKE COUNTY ATTORNEY SENTENCED FOR PROVIDING FALSE STATEMENTS TO A FINANCIAL INSTITUTION

DES MOINES, IA - On May 20, 2011, Ronald Lee Wheeler, age 69, of Murray, Iowa, was sentenced to time served and immediately placed on five years of supervised release for providing false statements to a financial institution in 2006. United States District Court Senior Judge Ronald Longstaff also ordered Wheeler to pay restitution in the amount of \$821,134, a \$100.00 assessment for the Crime Victim Fund and serve 200 hours of community service.

On February 18, 2011, Wheeler had entered a guilty plea in federal court in Des Moines, Iowa, to violating Title 18, United States Code, Section 1014, by submitting on June 16, 2006, a loan application containing false financial statements and other fraudulent information to obtain a residential mortgage from Wells Fargo Bank.

Wheeler entered his plea pursuant to a plea agreement made with the United States Attorney's Office for the Southern District of Iowa. In the plea agreement the United States Attorney's Office agreed to recommend to the district court the imposed sentence. Also as part of the plea agreement, a second count of false statements to a financial institution was dismissed; however, Wheeler 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, Wheeler acted as a "straw buyer" for the purchase of residential property in Ankeny, Iowa, for a company formed by Russell Eugene Blessman, called "International Acquisitions, Inc." International Acquisitions, Inc. was in the business of

purchasing and “rejuvenating” properties, which would then receive a higher appraisal leading to a higher resale price. To obtain mortgages to purchase properties, International Acquisitions, Inc., would identify 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.

Wheeler, at the request of International Acquisitions, Inc., applied for, and received, two separate mortgages on the Ankeny, Iowa property. For each, he 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. Co-defendant Gregory Robert Beck, a mortgage broker with Mid-American Home Services in June of 2006, approved the mortgage application knowing of the omissions and false statements by Wheeler. 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, 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.

United States Attorney Nicholas A. Klinefeldt stated: “We take white collar crime very seriously here in the Southern District of Iowa, and mortgage fraud is particularly important to us. Mortgage fraud is a crime that has the capacity to affect everyone – either through higher interest rates from borrowers attempting to recoup losses, or inflated appraisals and purchase prices.”

Pending sentencing in this case are Wheeler's co-defendants, Russell Eugene Blessman and Gregory Robert Beck.

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

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