



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**

**B. Todd Jones,  
United States Attorney**

**Jeanne F. Cooney  
Director of Community Relations  
(612) 664-5611  
email: [jeanne.cooney@usdoj.gov](mailto:jeanne.cooney@usdoj.gov)**

# **News Release**

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## **Hecker confidante sentenced for lying to investigators, helping to hide a Cadillac**

James Carl Gustafson, a 49-year-old former employee of auto mogul Denny Hecker, was sentenced earlier today in federal court in Minneapolis for his role in Hecker's scheme to defraud financial lenders and others out of millions of dollars. United States District Court Judge Joan N. Ericksen sentenced Gustafson to two years of probation, 120 hours of community service, and a \$1,000 fine on one count of making a false statement and one count of mail fraud. Gustafson was charged on September 17, 2010, and pleaded guilty on September 27, 2010.

In his plea agreement, Gustafson admitted that on April 21, 2010, he made a false statement to agents of the Internal Revenue Service-Criminal Investigation Division and the Federal Bureau of Investigation. He told them that in October of 2008, he learned for the first time that a falsified Hyundai Motor America document had been submitted to Chrysler Financial, one of the lenders from which Hecker borrowed money for financing the purchase of fleet vehicles. Gustafson told investigators that there was no intentional fraud committed against Chrysler Financial. In reality, however, Gustafson knew of the scheme to defraud Chrysler Financial as early as November 2007 and knew of the falsified document by early 2008. In addition, Gustafson admitted that on April 20, 2009, he mailed an application to the State of Minnesota to retitle a 2004 Cadillac Escalade in the name of Northstate Financial, knowing the company was nothing more than a shell company. The title transfer was merely a ploy to mask the car's true owner, Denny Hecker, from creditors, including Chrysler Financial.

At the sentencing hearing, the government concurred in Gustafson's request for a sentence of probation because of Gustafson's ultimate cooperation with the government's investigation after his admissions of guilt.

Hecker is scheduled to be sentenced at 10 a.m. Friday, February 11, 2011, in Minneapolis. He pleaded guilty to one count of conspiracy to commit wire fraud and one count of bankruptcy

fraud in connection with the scheme to defraud Chrysler Financial Services and other commercial lenders.

Co-conspirator Steve Leach is scheduled to be sentenced at 9:30 a.m. Tuesday, February 8, 2011, also in Minneapolis.

This case was the result of an investigation by the Minnesota State Patrol, the IRS-Criminal Investigation Division, and the FBI. It was prosecuted by Assistant U.S. Attorneys Nicole A. Engisch, Nancy E. Brasel, and David M. Genrich.

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