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News Release

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Cottage Grove man pleads guilty to defrauding investors in a house-flipping scheme

Earlier today in federal court in Minneapolis, a 46-year-old Cottage Grove man pleaded guilty to defrauding investors out of more than \$5 million in a multi-state, house-flipping scheme. Appearing before United States District Court Chief Judge Michael J. Davis, Robert W. Dufresne pleaded guilty to one count of mail fraud and one count of money laundering in relation to his crime. He was charged on February 7, 2011.

In his plea agreement, Dufresne admitted that between October of 2005 and October of 2008, he sought investors to supply funds purportedly for the purchase, rebuilding, and resale of residential properties in Minnesota and other states. Investors expected the sale proceeds to be divided among them. However, Dufresne used the initial investment funds for his personal benefit and relied on subsequent investment funds to pay off the initial investors.

For his crimes, Dufresne faces a potential maximum penalty of 20 years in federal prison on the mail fraud charge and ten years for money laundering. Judge Davis will determine his sentence at a future hearing, yet to be scheduled.

This case is the result of an investigation by the U.S. Postal Inspection Service, the Federal Bureau of Investigation, and the Internal Revenue Service-Criminal Investigation Division. It is being prosecuted by Assistant U.S. Attorney Robert M. Lewis.

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