



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

## **News Release**

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### **Bloomington accountant charged with bank fraud**

MINNEAPOLIS—Earlier today in federal court, the former senior vice president and chief financial officer for Centennial Mortgage and Funding, Inc. (“Centennial”), was charged with defrauding a bank of approximately \$8 million through material omissions and misrepresentations concerning Centennial’s operations and mortgage loans entered by Centennial. Joseph W. Traxler, age 63, of Bloomington, was charged via an Information with one count of aiding and abetting bank fraud.

Allegedly, from 2007 through 2008, Traxler, an accountant, fraudulently used funds intended for mortgage loans to cover Centennial’s operating losses and to fund the company’s payroll and other expenses. Specifically, when a home buyer applied to Centennial for a mortgage loan, Centennial requested an advance of funding from one of the lines of credit it held with various banks. Once that lender approved the advance, funds were deposited into an account that Centennial used to make the mortgage loan to the buyer at the transaction closing.

During the alleged period, Traxler allegedly (1) made misrepresentations to lenders about the status of existing mortgage loans to induce them to advance additional funds; (2) concealed from lenders existing mortgage loan defaults; (3) concealed that he had secured double funding for 23 mortgage loans; and, (4) wrote checks between Centennial’s accounts at different banks in an effort to falsely inflate account balances and thereby allow checks that would have otherwise bounced to clear.

If convicted, Traxler faces a potential maximum penalty of 30 years in prison. All sentences will be determined by a federal district court judge. This case is the result of an investigation by the Federal Bureau of Investigation. It is being prosecuted by Assistant United States Attorneys Tracy L. Perzel and Kimberly A. Svendsen.

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*A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.*