



Department of Justice

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FOR IMMEDIATE RELEASE
Friday, April 12, 2013
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Des Moines-Area Developer Sentenced to Thirty Months in Prison for Bank Fraud Scheme

DES MOINES, IA – Des Moines area real estate developer John C. Kline was sentenced to 30 months in prison for his participation in a bank fraud scheme, announced United States Attorney Nicholas A. Klinefeldt. Chief Judge James E. Gritzner also ordered Kline to serve a term of 5 years of supervised release following release from prison, pay \$1,169,490.72 restitution and directed Kline to pay a \$200 special assessment to the crime victims fund.

Kline pleaded guilty to committing bank fraud on January 11, 2013, in connection with a condominium development project on the south side of Des Moines, known as the Meadow Cove project, and a residential development project in Dallas County, known as the Heritage Hills project. Kline had been charged with diverting funds borrowed for those projects to pay for a variety of other items and projects. A consortium of at least twelve Iowa and Missouri banks participated in loans to the projects. Kline's co-defendant, Randal L. Walters, was sentenced by Chief Judge Gritzner in February of 2013.

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

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