

FILED

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JOHN M. WATERS, Clerk
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
SPRINGFIELD DIVISION

UNITED STATES OF AMERICA,)
)
Plaintiff,)
v.)
)
GARY D. HARPOLE,)
)
Defendant.)

Criminal No. 05-300 **13**
Violations: 18 U.S.C. §1014 and 1344

INDICTMENT

THE UNITED STATES ATTORNEY CHARGES:

COUNTS ONE THROUGH SIX

**BANK FRAUD
18 U.S.C. §1344**

1. At all times material to this information:

(A). The Corn Belt Bank & Trust Company was a financial institution with deposits insured by the Federal Deposit Insurance Corporation;

(B). Gary D. Harpole, the defendant, owned and operated Harpole Accounting Firm and Harpole Rentals which did business in West Central Illinois;

(C). Gary D. Harpole, the defendant, individually and through his businesses transacted business with the Corn Belt Bank & Trust Company.

2. Beginning in or about July 1997 and continuing up to the Spring of 2000

GARY D. HARPOLE,
the defendant,

devised and executed a scheme to defraud the Corn Belt Bank & Trust Company and to obtain

moneys and funds owned by and under the custody and control of the Corn Belt Bank & Trust Company by means of false and fraudulent pretenses, representations and promises.

3. It was part of the defendant's scheme to defraud and to obtain moneys and funds by means of false pretenses, representations and promises that the defendant's Loan Agreement with the Corn Belt Bank & Trust Company required him periodically to provide true and accurate information concerning his personal financial condition and the financial condition of his businesses. Such information would be used by the Corn Belt Bank & Trust Company to decide whether to loan the defendant and/or his businesses moneys and to decide whether existing loans should be extended. The defendant, rather than providing true and accurate financial information as required, provided the bank with false and fraudulent Federal Income Tax Returns and overstated accounts receivable.

4. As a further part of the defendant's scheme to defraud and to obtain moneys and funds by means of false pretenses, representations and promises:

(A). On or about August 6, 1997 the defendant d.b.a. Harpole Accounting Firm obtained a \$250,000 line of credit from the Corn Belt Bank & Trust Company. In order to obtain and maintain that line of credit, the defendant provided the bank with financial information concerning himself and his businesses. As part of such financial information, the defendant provided the bank with false and fraudulent accounts receivables in that their value was overstated.

(B). On or about October 21, 1998 the defendant d.b.a. Harpole Accounting Firm caused the Corn Belt Bank & Trust Company to increase the above-described line of credit to \$350,000. In order to obtain and maintain this increased line of credit the defendant submitted to

the bank overstated accounts receivables and false and fraudulent Federal Income Tax Returns that were different from the returns that he filed with the Internal Revenue Service in that they overstated the defendant's income.

(C). On or about July 28, 1999 the defendant d.b.a. Harpole Accounting Firm obtained a \$30,100 loan from the Corn Belt Bank & Trust Company to be used to purchase computer upgrades at the defendant's Pittsfield office. As security for such loan the defendant pledged the computer equipment that allegedly was to be purchased. However, the defendant already had bought such computer equipment with a loan he had obtained from First Bank and had pledged that computer equipment as security for the loan from First Bank. The defendant did not inform the representatives of the Corn Belt Bank & Trust that he had obtained the loan from First Bank and that the computer equipment already had been pledged as collateral for the loan at First Bank. Most of the proceeds from the \$30,100 loan were used by the defendant for purposes other than the purchase of computer equipment or software at his Pittsfield office.

(D). The submissions by the defendant of overstated accounts receivable and false and fraudulent Federal Income Tax Returns also were used by the defendant to influence the Corn Belt Bank & Trust in making the following loans:

- i. A \$40,000 loan to the defendant on March 30, 1999;
- ii. A \$100,000 loan to the defendant on April 30, 1999; and
- iii. A \$50,000 loan to the defendant on February 16, 2000.

(E). In the year 2000 the defendant sought a \$2,100,000 loan from the Corn Belt Bank & Trust Company. The defendant again submitted to that bank overstated accounts receivable and false and fraudulent Federal Income Tax Returns in order to influence the bank to

make such a loan. The bank declined to make this loan to the defendant.

5. On or about the dates listed below, within the Central District of Illinois,

GARY D. HARPOLE,
the defendant,

executed the above-described scheme to defraud and to obtain moneys and funds by means of false pretenses, representations and promises in that he caused the Corn Belt Bank & Trust

Company to taken the actions set forth in each count:

- (A). **Count One:** Obtain a \$250,000 line of credit for the defendant d.b.a. Harpole Accounting Firm on August 6, 1997;
- (B). **Count Two:** Increase the line of credit for the defendant d.b.a. Harpole Accounting Firm from \$250,000 to \$350,000 on October 21, 1998;
- (C). **Count Three:** Make a \$40,000 loan to the defendant on March 30, 1999;
- (D). **Count Four:** Make a \$100,000 loan to the defendant on April 30, 1999;
- (E). **Count Five:** Make a \$30,100 loan to the defendant d.b.a. Harpole Accounting Firm to purchase computer upgrades for the defendant's Pittsfield office on July 28, 1999; and
- (F). **Count Six:** Make a \$50,000 loan to the defendant on February 16, 2000.

All in violation of Title 18 U.S.C. §1344

COUNT SEVEN

**MAKING A FALSE STATEMENT TO A BANK
18 U.S.C. §1014**

1. At all times material to this information:

(A). The First Bank in Quincy, Illinois was a financial institution with deposits insured by the Federal Deposit Insurance Corporation;

(B). Gary D. Harpole, the defendant, owned and operated Harpole Accounting Firm and Harpole Rentals which did business in West Central Illinois;

(C). Gary D. Harpole, the defendant, individually and through his businesses transacted business with the First Bank in Quincy, Illinois.

2. Between January 14, 2000 and April 13, 2000 in the Central District of Illinois, at Quincy, Illinois,

GARY D. HARPOLE,
the defendant,

knowingly made false statements and willfully overvalued property for the purpose of influencing the First Bank in Quincy, Illinois to refinance a loan in the amount of \$228,937 on three properties located in Quincy, Illinois, in that the defendant:

(A). Provided the bank with false and fraudulent Federal Income Tax Returns that were different from the returns that he filed with the Internal Revenue Service in that they overstated the defendant's income; and

(B) Provided the bank with a financial statement that:

(i). Failed to list \$350,000 line of credit that the defendant d.b.a. Harpole

