



U.S. Department of Justice

*United States Attorney's Office
Eastern District of Wisconsin*

PRESS RELEASE

July 12, 2016

**Former Bank President and CEO of Farmers Exchange Bank Indicted in
Federal Court for Bank Fraud, Embezzlement, and Obstruction**

United States Attorney Gregory A. Haanstad of the Eastern District of Wisconsin announced today that the grand jury has returned an indictment against Geoffrey Sawtelle (age: 62) of Neshkoro, Wisconsin, charging him with executing a scheme to defraud Farmers Exchange Bank, a federally insured financial institution operating at various Wisconsin locations, and related criminal charges.

From 2000 until 2014, Mr. Sawtelle was the President and CEO of Farmers Exchange Bank. The indictment alleges that, from 2003 to 2014, Mr. Sawtelle engaged in a scheme to obtain money and assets owned by the Bank, in violation of Title 18, United States Code, Section 1344. Mr. Sawtelle executed the scheme in several different ways. Counts One through Five of the indictment allege that Mr. Sawtelle caused the Bank to purchase car racing-related items for Mr. Sawtelle's personal use, including a Classic Trailer, a Kibbi trailer, a Renegade motorhome, a Corvette, and services performed by Corvette Sports Inc., and that Mr. Sawtelle manipulated the Bank's ledgers to conceal those purchases. Counts Six through Fourteen allege that Mr. Sawtelle repeatedly awarded himself fraudulent bonuses that were not approved by the Bank's Board of Directors. Counts Fifteen through Nineteen allege that Mr. Sawtelle originated a series of straw loans in the names of other people, for his own benefit. Finally, Counts Twenty and Twenty-One charge that Mr. Sawtelle caused the Bank to purchase two sports utility vehicles for his personal use. As to each of these counts, if convicted, Mr. Sawtelle would face imprisonment for not more than 30 years, a fine of not more than \$1 million, or both, plus the mandatory \$100 special assessment and a term of supervised release not to exceed five years.

The indictment also alleges that Mr. Sawtelle violated Title 18, United States Code, Section 656, by embezzling and misapplying Bank funds while employed as one of the Bank's officers. Count Twenty-Two alleges that Mr. Sawtelle embezzled the proceeds of the sale of a 2002 Corvette, which Mr. Sawtelle had previously purchased and expensed to the Bank. Count Twenty-Three charges that Mr. Sawtelle transferred \$20,000 from the Bank's general ledger to his own checking account. As to each of those counts, if convicted, Mr. Sawtelle would face imprisonment for not more than 30 years, a fine of not more than \$1 million, or both, plus the mandatory \$100 special assessment and a term of supervised release not to exceed five years.

Finally, Counts Twenty-Four and Twenty-Five allege that Mr. Sawtelle obstructed the examinations of Farmers Exchange Bank by the FDIC, in violation of Title 18, United States Code, Section 1517, and made false statements to an FDIC representative, in violation of Title 18, United States Code, Section 1001. As to each of those counts, if convicted, Mr. Sawtelle would face imprisonment for not more than 5 years, a fine of not more than \$250,000, or both, plus the mandatory \$100 special assessment and a term of supervised release not to exceed one year.

This case is being investigated by the Office of the Inspector General for the Federal Deposit Insurance Corporation, the Office of the Inspector General for the Board of Governors of the Federal Reserve System, and the Federal Bureau of Investigation. The case will be prosecuted by Assistant United States Attorneys Carol Kraft and Rebecca Taibleson.

An indictment is only a charge and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government must prove him guilty beyond a reasonable doubt.

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