

Press Release

Former Bank of O’Fallon executive sentenced to prison for swindling \$2 million in check kiting fraud scheme

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U.S. Attorney's Office, Southern District of Illinois

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EAST ST. LOUIS, Ill. – A district judge sentenced the former second-in-command of the Bank of O’Fallon to 63 months’ imprisonment after he admitted to federal charges for engaging in a fraud scheme to obtain more than \$2 million.

Andrew P. Blassie, 70, of St. Louis, pleaded guilty to one count of bank fraud and one count of interstate transportation of security or funds obtained by fraud. In addition to imprisonment, he was ordered to pay \$2,461,887.67 in restitution.

“Blassie’s prison sentence underscores the severity of his crimes to betray his clients, employer, family, and community,” said U.S. Attorney Steven D. Weinhoeft. “The outstanding work by the investigators and the Bank of O’Fallon’s vital cooperation to dismantle this scheme delivered justice and helped to protect the integrity of our financial system.”

According to the indictment, Blassie served as the Executive Vice President for the Bank of O’Fallon and defrauded the bank out of \$1,972,887.67 in a check kite scheme from September 2023 through September 2024 during his employment.

Blassie admitted to falsely inflating the balance of his personal checking account at the Bank of O’Fallon by depositing checks he knew to be backed by non-sufficient funds. He deposited checks with non-sufficient funds from four personal accounts at three other banks and one credit union into the Bank of O’Fallon account.

“The U.S. Secret Service is committed to pursuing criminal actors who seek to rip off law-abiding citizens and undermine our nation’s financial system in the process. This was an outrageous scheme that hurt innocent victims,” said acting Resident Agent in Charge David Bolin, of the U.S. Secret Service’s Springfield Resident Office. “I am proud of our agency’s work in this case. Thanks to the U.S. Attorney’s Office of the Southern District of Illinois as

well as our federal and local law enforcement partners who helped to bring justice for the victims, including the O’Fallon Police Department.”

Blassie paid nearly \$2.7 million for personal expenses from the falsely inflated account thus using funds belonging to the Bank of O’Fallon. As the former Executive Vice President, Blassie used his position to conceal his fraud from the Bank of O’Fallon by scrubbing his name and account number from suspected kiting reports.

“Today’s sentencing brings justice to the defendant, who violated his position of trust as Executive Vice President at the Bank of O’Fallon. He defrauded the bank of approximately \$2 million through a check kiting scheme that he used to enrich himself,” said Special Agent in Charge Vincent R. Zehme, of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG), Chicago Region. “This case exhibits the FDIC OIG’s steadfast commitment to working with our law enforcement partners to hold bank insiders, and other perpetrators of fraud, accountable for their role in such schemes, especially those that threaten the safety and soundness of our Nation’s financial institutions.”

From August 2022 through September 2024, Blassie also persuaded a couple from Lebanon, Illinois, to give him \$489,000 of their retirement savings. In return for this investment, Blassie gave the couple two promissory notes. He agreed to pay the couple interest on the notes and used money he obtained through his check kite scheme to pay some of that interest.

As security for his promissory notes, Blassie pledged 128 of his and his wife’s shares of the holding company which owns the Bank of O’Fallon.

“Today’s sentencing holds accountable and brings to justice a former bank executive who abused his position to defraud Bank of O’Fallon and its customers,” said Don Daley, Acting Assistant Special Agent in Charge, Western Region, Office of Inspector General for the Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau. “We are proud to have worked with our law enforcement partners to achieve this result. We will continue to vigorously pursue those who undermine the safety and soundness of our banking institutions.”

According to the indictment, Blassie later sold most of these shares and did not use those funds to repay the Lebanon couple. This left the couple with no means of recourse when Blassie later defaulted on the promissory notes.

“Bank officials who abuse their positions of public trust for personal gain pose an unacceptable threat to the integrity the Federal Home Loan Bank system,” said Korey Brinkman, Special Agent in Charge of the Federal Housing Finance Agency Office of Inspector General’s Central Region. “Today’s sentencing demonstrates our ongoing

commitment to investigating thoroughly allegations of fraud involving bank officials and supporting the prosecution of those charged with these offenses. We are proud to work with our investigative partners and the U.S. Attorney's Office to ensure insider fraudsters are held accountable under the law."

Officials with the Bank of O'Fallon have fully cooperated with law enforcement during the investigation.

The O'Fallon Police Department, U.S. Secret Service, Federal Deposit Insurance Corporation Office of Inspector General, the Office of Inspector General for the Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau, and the Federal Housing Finance Agency, Office of Inspector General made contributions to the investigation.

Assistant U.S. Attorney Zoe Gross prosecuted the case.

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