

THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* NORTH DAKOTA

Department of Justice
U.S. Attorney's Office
District of North Dakota

FOR IMMEDIATE RELEASE
Thursday, February 16, 2023

Former Beulah Bank President Sentenced to Two Counts of Bank Fraud

BISMARCK – United States Attorney Mac Schneider announced that on February 15, 2023, U.S. District Court Judge Daniel M. Traynor sentenced Brady Daniel Torgerson, age 35, from Beulah, North Dakota, to serve 24 months in federal prison, three years of supervised release, and \$200.00 special assessment. On November 4, 2022, law enforcement arrested Torgerson for these offenses and, on August 12, 2022, Torgerson pleaded guilty to two separate counts of bank fraud against financial institutions located in Beulah, North Dakota, namely, First Security Bank-West and the Union Bank.

Between 2019 and 2021, while employed at separate times as the President of First Security Bank-West and as a loan officer at the Union Bank, Torgerson conducted banking transactions, which caused harm to both these banks and the banks' individual customers. Specifically, while employed at First Security Bank-West, Torgerson funded loans without obtaining: 1) necessary financial information; 2) security interest documents; or 3) promissory notes. Additionally, Torgerson engaged in deceptive banking transactions by entering false information into the bank's computer system, increasing loans so that they exceeded the original loan amounts, and extending loan maturity dates to conceal his activities. Most notably, while employed at the Union Bank, Torgerson created fraudulent loan obligations in the amounts of \$225,487.44 and \$225,487.45 in the names of three separate individuals who neither knew about the creation of these loans nor received the funds described in these obligations.

"Bank fraud is a serious crime that harms the honest financial institutions we have in North Dakota," US Attorney Mac Schneider said. "This sentence is a credit to the skillful efforts of our career prosecutors and partners in law enforcement. It is also a reminder that there is a high price to pay for white-collar crime."

"The Federal Deposit Insurance Corporation-Office of Inspector General (FDIC-OIG) continues to investigate allegations of fraud by bank executives and others in order to preserve the integrity of the banking system," said Justin Bundy, Special Agent in Charge of the FDIC-OIG Kansas City Regional Office. "We are proud to have joined the United States Attorney's Office for the District of North Dakota, as well as our law enforcement partners in conducting this investigation."

"We are committed to investigating allegations of fraud committed against the Federal Home Loan Banks or their members, especially in cases where we find flagrant criminal conduct by officials at member banks," said Catherine Huber, Special Agent in Charge of the Federal Housing Finance Agency-Office of Inspector General's (FHFA-OIG) Central Region Office. "Thank you to the U.S. Attorney's Office for the District of North Dakota and our federal partners for helping us bring swift justice in this case."

Co-Defendants for this investigation received the following sentences:

- Brent D. Torgerson (61 years old from Beulah, ND) received a sentence of time served (1 day in custody), 1-year supervised release, \$5,000 fine, and a ban from participating in banking on a charge of Misapplication of Bank Funds
- Kelly Huffman (34 years old, from Beulah, ND) received a sentence of time served (1 day in custody), 1-year supervised release, and a \$5,000 fine on a charge of Misapplication of Bank Funds
- Tyler Steven Hofland (35 years old, Rapid City, SD) received a sentence of time served (1 day of processing), 1-year of supervised release, and \$98,163.40 in restitution on a charge of Aiding and Abetting Bank Fraud

This case was investigated by the FDIC-OIG, the FHFA-OIG, and the Federal Reserve Board-Office of Inspector General and prosecuted by Assistant U.S. Attorney Jonathan J. O’Konek.

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