

## **Grand Jury Returns 6 Indictments**

### **Department of Justice**

U.S. Attorney's Office

Western District of Wisconsin

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FOR IMMEDIATE RELEASE

## **Grand Jury Returns 6 Indictments**

MADISON, WIS. -- A federal grand jury in the Western District of Wisconsin, sitting in Madison, has returned the following indictments. You are advised that a charge is merely an accusation and that a defendant is presumed innocent until and unless proven guilty.

### **Columbus Man Charged with Defrauding Financial Institution**

Michael Eisenga, 49, Columbus, Wisconsin, is charged with engaging in a scheme to defraud Alliant Credit Union, a financial institution in Rolling Meadows, Illinois from August 2016 to January 2019. The indictment alleges that Eisenga, as the operator of CCC Lot 2, a limited liability company with a principal place of business in Columbus, made a false statement in an application for a mortgage loan from Alliant Credit Union for commercial property in Columbus.

The indictment alleges that Eisenga represented to Alliant that CCC Lot 2 had secured Festival Foods Inc. as a tenant for the property through a 20-year lease agreement and that another company, Supervalu Holdings, Inc., had guaranteed the lease. The indictment alleges that Eisenga provided Alliant with two signed documents he represented to be the lease with Festival Foods Inc. and the guarantee from Supervalu Holdings, Inc., but that neither of these documents were genuine. Alliant approved CCC Lot 2 for the loan and paid out loan proceeds of approximately \$6.9 million in March 2018.

The indictment further alleges that as part of the scheme to defraud, after CCC Lot 2 defaulted on the loan, Eisenga provided Alliant with a document purporting to be an agreement terminating CCC Lot 2's lease with Festival Foods Inc., but the document was not genuine.

If convicted, Eisenga faces a maximum penalty of 30 years in federal prison. The charge against him is the result of an investigation by the Federal Bureau of Investigation. Assistant U.S. Attorney Meredith Duchemin is handling the prosecution.

### **Man Charged with Defrauding Defense Department, Identity Theft & Money Laundering**

Craig Klund, 57, Yankton, South Dakota, formerly of Chippewa Falls, Wisconsin, is charged in a 19-count indictment with a scheme to defraud the U.S. Department of Defense (DoD). The indictment alleges that Klund obtained money from DoD contracts under false pretenses by shielding his true identity from the DoD, and not disclosing the fact that he was the person bidding and winning DoD contracts. The indictment charges Klund with 10 counts of wire fraud, three counts of false statements, two counts of identity theft, and four counts of money laundering. The indictment alleges that:

1. Klund created fake identities and formed multiple shell companies that listed fake addresses and fake contact persons in an effort to hide his identity, and that he attempted to engage in bid rigging by using

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his various shell corporations to bid on the same defense contracts in an effort to make it look like the DoD was receiving multiple competitive bids from different defense contractors, when in fact, the bids were coming from Klund;

2. Klund supplied nonconforming parts to the DoD, which were being used in important military applications;

3. Klund failed to deliver parts that he contracted with DoD to provide, but submitted invoices to DoD seeking payment for parts that were never shipped;

4. Klund lied to various DoD inspectors about his true identity;

5. Klund used, without lawful authority, a means of identification of real persons in an effort to hide his identity as the person who was actually running his shell companies;

6. Klund created shell companies after two of his other companies were disbarred from participating in the U.S. government procurement program in 2015;

7. In 2018, Klund relocated his business operations from Chippewa Falls to South Dakota in an effort to conceal and evade his criminal activity from the DoD;

8. Klund took steps to conceal his criminal activity from the U.S. government by not reporting any of his DoD gross receipts to the IRS; and

9. Klund engaged in money laundering as a way to disguise his receipt and control of the DoD proceeds paid to his shell companies.

The indictment alleges that Klund used at least 10 different shell companies and was awarded government contracts valued at over \$4,000,000 from 2013 to 2018.

If convicted, Klund faces a maximum penalty of 20 years in federal on each wire fraud charge, five years on each false statement charge, 10 years on each money laundering charge, and a mandatory minimum of two years on each identity theft charge. Federal law requires that a sentence imposed on the identity theft charges be served consecutive to any other sentence imposed.

The charges against Klund are the result of an investigation by the U.S. Department of Defense, Office of Inspector General, Defense Criminal Investigation Service; U.S. Air Force, Office of Special Investigations; U.S. Army, Criminal Investigation Division, Major Procurement Fraud Unit; U.S. Naval Criminal Investigative Service; U.S. General Services Administration, Office of Inspector General, Office of Investigations; and IRS Criminal Investigation. Assistant U.S. Attorney Daniel Graber is handling the prosecution.

### **Minnesota Man Charged with Violating Endangered Species Act**

Chang Xiong, 46, Oakdale, Minnesota, is charged with three counts of purchasing wildlife knowing that it had been transported in violation of the Endangered Species Act. The indictment alleges that in July 2016, September 2017, and December 2018, Xiong purchased rhinoceros feet.

If convicted, Xiong faces a maximum penalty of five years in federal prison on each count. The charges against him are the result of an investigation by the U.S. Fish and Wildlife Service, Office of Law Enforcement. Assistant U.S. Attorney Daniel Graber is handling the prosecution.

### **McFarland Woman Charged with Drug Crimes Involving Methamphetamine**

Tara Blum, 29, McFarland, Wisconsin, is charged with four counts of distributing methamphetamine and two counts of possessing methamphetamine with intent to distribute. The indictment alleges that these offenses occurred between July 22 and September 9, 2020. The indictment alleges that one of the distributions involved 50 grams or more of methamphetamine, and that on September 9, Blum possessed 500 grams or

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more for distribution.

If convicted, Blum faces a maximum penalty of 20 years in federal prison on three of the distribution charges, a mandatory minimum of five years and a maximum of 40 on the charge involving 50 grams or more of methamphetamine, and a mandatory minimum of 10 years and a maximum of life on the charge involving 500 grams or more. The charges against Blum are the result of an investigation by the Dane County Narcotics Task Force. Assistant U.S. Attorney Robert Anderson is handling the prosecution.

### **Madison Man Charged with Possessing Crack Cocaine for Distribution**

DeAndre Bishop, 42, Madison, Wisconsin, is charged with possessing 28 grams or more of crack cocaine with the intent to distribute. The indictment alleges that he possessed the crack cocaine on August 3, 2020.

If convicted, Bishop faces a mandatory minimum penalty of five years and a maximum of 40 years in federal prison. The charge against him is the result of an investigation by the Waunakee Police Department. Assistant U.S. Attorney David Reinhard is handling the prosecution.

### **Rhineland Man Charged with Being a Felon in Possession of Ammunition**

Dustin LaPuma, 26, Rhineland, Wisconsin, is charged with being a felon in possession of ammunition. The indictment alleges that he possessed 9mm ammunition on August 10, 2020.

If convicted, LaPuma faces a maximum penalty of 10 years in federal prison. The charge against him is the result of an investigation by the Oneida County Sheriff's Office and the Bureau of Alcohol, Tobacco, Firearms and Explosives. Assistant U.S. Attorney Chadwick Elgersma is handling the prosecution.

Source: U.S. Department of Justice [press release](#).