

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA	*	CRIMINAL NO. 12-200	
V.	*	SECTION: "G"	
RICHARD S. BLOSSMAN, JR.	*	VIOLATIONS:	18 U.S.C. § 2
	*		18 U.S.C. § 1005
	*		18 U.S.C. § 1344
*	*	*	

FACTUAL BASIS

Should this matter have gone to trial, the government would have proved beyond a reasonable doubt, by using credible testimonial evidence and incontrovertible physical evidence, the following:

A: THE BANK FRAUD

Beginning in or around May 2005 and continuing in or around September 2005, in the Eastern District of Louisiana and elsewhere, **RICHARD S. BLOSSMAN, JR.**, did knowingly and willfully devise a scheme and artifice to defraud CENTRAL PROGRESSIVE BANK (hereafter CPB), then insured by the Federal Deposit Insurance Corporation (FDIC) and to obtain monies, funds, credits, assets, securities and other property owned by and under the care, custody and control of CPB of by means of false pretenses, representations and promises, namely a forty-five foot Sea Ray vessel named "Yara G."

In or around May, 2003 **RICHARD S. BLOSSMAN, JR.** directed a subsidiary of CPB to purchase the vessel “Yara G” from another financial institution, which had been repossessed by that institution due to the default on the original mortgage in Florida, at a price exceeding \$200,000.00.

Defendant **RICHARD S. BLOSSMAN, JR.** caused a strawman company to be formed by Individual “A” named Caribbean Sails Advertisement, LLC (hereafter “CSA”) and caused it to be incorporated in the State of Delaware, to disguise the true ownership of the vessel.

Individual “A” was an associate of defendant **RICHARD S. BLOSSMAN, JR.**

Defendant, **RICHARD S. BLOSSMAN, JR.** caused CSA to fraudulently purchase the “Yara G” from a subsidiary of CPB in or around May, 2005. The sham company was contrived, in order to disguise the fact that **RICHARD S. BLOSSMAN, JR.** in truth and in fact was purchasing the “Yara G,” for less than \$30,000.00, which CPB had purchased for more than \$200,000.00 two years before.

Defendant, **RICHARD S. BLOSSMAN, JR.** Personally funded the fraudulent purchase by CSA, of the vessel from CPB by depositing funds into Individual “A’s” accounts, who in turn deposited the funds into CSA’s account.

Defendant, **RICHARD S. BLOSSMAN, JR.,** knowingly and willfully sold the “Yara G” for over \$130,000.00 and caused the check used for the purchase of the vessel to be issued to a straw purchaser, CSA, even though defendant **RICHARD S. BLOSSMAN, JR.,** was the real purchaser.

That defendant **RICHARD S. BLOSSMAN, JR.,** personally made arrangements for Individual “A” to cash the check used to purchase the vessel “Yara G” at a CPB branch, and that

defendant **RICHARD S. BLOSSMAN, JR.**, received a portion of the illicit cash from Individual “A”.

B: THE FALSE STATEMENT

On or about March 29, 2007, in the Eastern District of Louisiana, defendant **RICHARD S. BLOSSMAN, JR.**, being an officer of CPB, a financial institution insured by the Federal Deposit Insurance Corporation, with the intent to deceive CPB, knowingly made a false entry or caused to be a false entry in that in the Board minutes of March 29, 2007. Defendant **RICHARD S. BLOSSMAN, JR.**, wished to donate \$55,000.00 to a candidate for statewide office, funded by CPB. Louisiana state law prohibits the donation of more than \$5,000.00 to a candidate for statewide office by an individual or entity. At the March 29, 2007 CPB Board meeting, defendant **RICHARD S. BLOSSMAN, JR.**, verbally announced that each director would receive a \$5,000.00 bonus. Defendant **RICHARD S. BLOSSMAN, JR.**, subsequently caused the following entry to be placed in the Board minutes, an official record of CPB: “Mr. Blossman issued a special bonus of \$5,000.00 per director. He thanked the Board for their hard work and continued support of Central Progressive Bank.” In truth and in fact, as the defendant well knew, the bonus was intended to be an illegal contribution of \$5,000.00 per Board member totaling \$55,000.00 to Friends of Candidate “A”. The money was never intended to be a bonus designed to be retained as a reward for hard work and support by each board member as indicated in the minutes, which he caused to be falsely recorded in the Board minutes. The next day, March 30, 2007, defendant **RICHARD S. BLOSSMAN, JR.**, caused \$5,000.00 to be deposited into 11 (eleven) Board Member’s accounts at CPB. Almost immediately, he caused the \$5,000.00 to be withdrawn and converted into 11 (eleven) CPB cashier’s checks issued to “Friends of Candidate

“A”. Eleven separate \$5,000.00 checks totaling \$55,000.00 were sent, in the name of the individual Board Members to “Friends of Candidate “A”. None of the Board members retained the \$5,000.00 bonus in their accounts at CPB.

All of these matters will be proven by credible testimony and records of the Federal Deposit Insurance Corporation, as well as by Agents of the Federal Deposit Insurance Corporation-Office of Inspector General.

CARTER K.D. GUICE, JR.
Assistant U.S. Attorney
Louisiana Bar Roll No. 16771

Date

MICHEL NICROSI, ESQ.
Counsel for Defendant

Date

RICHARD S. BLOSSMAN, JR.
Defendant

Date