http://newiprogressive.com/images/stories/S5/judgement-s5.jpg

Paul Piikkila, of Appleton, admitted committing conspiracy to defraud his employer Horicon Bank of more than $700,000 to pay off De Pere businessman Ron Van Den Heuvel's debts. Van Den Heuvel was also able to secure more than $1 million for one of his many companies, Green Box NA Green Bay, from the WEDC.

MILWAUKEE - An Appleton loan officer has entered a plea deal in a federal bank fraud case that involves a De Pere businessman whose green technology company owes the state's Wisconsin Economic Development Corp. (WEDC) more than $1.2 million.

The plea deal was reported this morning by Matt DeFour in the Wisconsin State Journal. Matt's report continues below.

Paul Piikkila, of Appleton, admitted committing conspiracy to defraud his employer Horicon Bank of more than $700,000, according to a plea agreement filed in U.S. District Court in Milwaukee. Piikkila originally pleaded not guilty and a hearing on his change of plea is scheduled for July 22.

As part of the deal, Piikkila agreed to testify in the case involving De Pere businessman Ron Van Den Heuvel, who pleaded not guilty to a 13-count grand jury indictment related to the case filed in April.

According to the agreement, Piikkila helped Van Den Heuvel and his wife secure more than $1 million in loans from the bank, mostly through straw borrowers, between January 2008 and September 2009. The money was used to pay off Van Den Heuvel's other debts and mostly wasn't repaid, the agreement said.

The bank told Piikkila not to loan money to Van Den Heuvel after turning down his attempt to secure a $7.1 million loan for one of Van Den Heuvel's companies in 2008, the agreement said. The bank's investigation of Van Den Heuvel's financial record convinced them he "was not a good credit risk," the document said.

The plea agreement states the collateral used to control the straw loans was controlled by Van Den Heuvel, but "often inadequate as security for the loans."

"Property was not worth what it was represented to be worth," the plea agreement states. "Ownership of some of the collateral was in dispute and it appears that Ron pledged collateral that he did not necessarily own."

According to the plea agreement, "all of the witnesses agree that Ron and Kelly Van Den Heuvel lived a high-end lifestyle including an expensive house, another residence in Florida, expensive automobiles, a live-in nanny, expansive use of credit cards and a private plane. All this despite little evidence of actual business activity by any of Ron's business entities."

A federal trial in the bank fraud case scheduled to begin July 11 has been postponed. Piikkila's attorney and Van Den Heuvel, who is currently without representation, did not immediately respond to a request for comment.

Van Den Heuvel was able to secure more than $1 million for one of his many companies, Green Box NA Green Bay, from the Wisconsin Economic Development Corp. in September 2011. Van Den Heuvel didn't disclose previous lawsuits in his application, and a WEDC staff review stated the application's only weakness was that it was a startup. The agency gave Green Box more time to repay the loan in September 2014 before declaring the loan in default in early 2015. A judge has placed the company in receivership, but so far the money has not been repaid.