

Press Release

Former Bank of O'Fallon executive indicted for \$2 million fraud scheme

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

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EAST ST. LOUIS, Ill. – A federal grand jury in southern Illinois charged the former second-in-command of the Bank of O'Fallon for engaging in a fraud scheme to obtain more than \$2 million.

Andrew P. Blassie, 69, of St. Louis, is facing one count of bank fraud and one count of interstate transportation of security or funds obtained by fraud.

“Senior bank officials must act as fiduciaries, not felons—they must serve the bank, not swindle it,” said U.S. Attorney Steven D. Weinhoef. “The federal justice system leads the fight against corruption in all its forms, and the allegations in this case—a \$2 million check kiting scheme and a \$500,000 investor rip-off—are glaring examples of the type of financial betrayal that will not be tolerated. We commend the Bank of O'Fallon for their cooperation with the investigation, which has been vital to ensuring both that justice is served, and that the integrity of the financial system is preserved.”

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

Blassie is accused of 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 allegedly 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.

“Bank fraud is a serious crime that has real victims. It’s worsened when someone in a position of trust violates that authority, as the defendant is alleged to have done in this case to a staggering degree,” Resident Agent in Charge Michael Kurzeja, of the U.S. Secret Service Springfield Resident Office said. “The U.S. Secret Service takes very seriously its duty to protect the nation’s financial infrastructure. I’m proud of our agents’ work to dismantle the scheme in this case. I am thankful for the work of our Federal, state, and local partners who helped in this case.”

The indictment alleges 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 is accused of using his position to conceal his fraud from the Bank of O'Fallon by scrubbing his name and account number from the suspected kiting reports.

“This indictment charges a former bank executive for allegedly engaging in a check kiting scheme that fraudulently obtained funds from the Bank of O'Fallon,” said Special Agent in Charge Vincent R.

Zehme, of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG), Chicago Region. “The FDIC OIG remains committed to working with our law enforcement partners to investigate allegations of fraud by bank insiders, as we seek to preserve the integrity of our Nation’s banking system and to protect depositors and financial consumers.”

From August 2022 through September 2024, Blassie is also accused of persuading a couple from Lebanon, Illinois, to give him \$429,000 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.

“This indictment sends a clear message that bank executives who engage in fraud that impacts the safety and soundness of financial institutions will be held accountable for their actions,” said Jon Ellwanger, 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.

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.

“The Federal Housing Finance Agency, Office of Inspector General (FHFA-OIG) is committed to investigating allegations of fraud involving financial institutions, particularly the Federal Home Loan Banks,” said Korey Brinkman, Special Agent in Charge of the FHFA-OIG’s Central Region. “We are proud to have partnered with the U.S. Secret Service, FDIC OIG, FRB OIG, and the O’Fallon (IL) Police Department on this case.”

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

An indictment is merely a formal charge against a defendant. Under the law, a defendant is presumed to be innocent of a charge until proved guilty beyond a reasonable doubt to the satisfaction of a jury.

Blassie’s first appearance is scheduled for 10 a.m. on April 23 at the federal courthouse in East St. Louis.

Convictions for bank fraud are punishable by up to 30 years’ imprisonment and interstate transportation of security or funds obtained by fraud can earn up to 10 years in federal prison.

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 Scott Verseman is prosecuting the case.

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