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Department of Justice

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District of Kansas

FOR IMMEDIATE RELEASE

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Kansas City Area Business Owner Indicted On Federal Bank Fraud Charges

KANSAS CITY, KAN. A Kansas City area business owner has been indicted on federal bank fraud charges, U.S. Attorney Barry Grissom said today.

Brenda Wood, 45, Leavenworth, Kan., was indicted Wednesday on five counts of bank fraud, one count of theft from an employee benefit program, and four counts of willful violations of the Employee Retirement Income Security Act.

The indictment alleges the crimes took place while Wood owned several businesses including one in Kansas City, Mo. -- Professional Cleaning and Innovative Building Services, Inc. (PCI) -- and three in Bonner Springs, Kan. -- Action Real Estate Services, LLC; G&W Investments, LLC, and Riverview Crossings, LLC.

The indictment alleges Wood obtained loans for herself and her companies through Farmers Bank in Overland Park, Kan., by making false representations and submitting falsified documents to the bank. Among the allegations in the indictment are these:

- Wood obtained a loan on behalf of Riverview Crossings to purchase property in Bonner Springs in part by forging the signature of a second mortgage holder releasing the deed.
- Wood submitted falsified invoices totaling more than \$100,000 to support fraudulent draws on the Riverview Crossings loan.
- Wood obtained a loan on behalf of PCI to buy property in Basehor, Kan., in which she fraudulently inflated the purchase price to make it appear the loan met the bank's loan-to-value ratio requirements.
- Wood obtained a \$350,000 line of credit in part by fraudulently representing to the lender that her company, PCI, was awarded a contract to provide cleaning services at an Internal Revenue Service building in Kansas City, MO. In fact, her company was not even a finalist for the contract.
- Wood diverted more than \$200,000 from an escrow account for PCI to her personal account.
- Wood set up a 401(k) plan for PCI and embezzled more than \$30,000 from the plan.
- Wood failed to file annual financial reports for the PCI 401(k) plan.

Farmer's Bank received \$12 million from the U.S. Treasury's Troubled Asset Relief Program. In November 2012, the bank paid the U.S. Treasury approximately \$11.4 million to redeem the funding, resulting in a shortfall of more than \$500,000.

If convicted, she faces a maximum penalty of 30 years in federal prison and a fine up to \$1 million on each of the bank fraud charges, a maximum penalty of five years and a fine up to \$250,000 on the charge of theft from an employee benefit program, and a maximum penalty of 10 years and a fine up to \$250,000 on each count of violating ERISA. The Department of Labor, Office of Inspector General, the Special Investigator General for the Troubled Asset Relief Program, the Department of Labor Employee Benefits Security Administration and the FBI investigated. Assistant U.S. Attorney Jabari Wamble is prosecuting.

In all cases, defendants are presumed innocent until and unless proven guilty. The indictments merely contain allegations of criminal conduct.

Component(s):

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