

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

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|----------------------------------|---|------------------------------------|
| UNITED STATES OF AMERICA, |) | No. 09-03079-01-CR-S-RED |
| |) | |
| Plaintiff, |) | COUNT ONE: |
| |) | 18 U.S.C. § 1349 |
| v. |) | NMT 30 Years Imprisonment |
| |) | NMT \$250,000 Fine |
| JESSE D. RICE, |) | NMT 5 Years Supervised Release |
| [DOB: 08-23-1953], |) | Class B Felony |
| |) | |
| Defendant. |) | COUNT TWO: |
| |) | 18 U.S.C. §§ 1344 and 2 |
| |) | NMT 30 Years Imprisonment |
| |) | NMT \$250,000 Fine |
| |) | NMT 5 Years Supervised Release |
| |) | Class B Felony |
| |) | |
| |) | Each Count: |
| |) | \$100 Mandatory Special Assessment |

INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT ONE
(Conspiracy)

1. At all times material to this Indictment, Lonnie Utah Littles (Littles) was a resident of Christian County, Missouri, in the Western District of Missouri. Littles operated a cattle ranch located at or near 2117 Jasmine Road, in Clever, Missouri, which was sometimes referred to as Poco Cala Ranch, and Poco Cala Limited Liability Company (Poco Cala, LLC).

2. Liberty Bank was a financial institution as that term is defined in Title 18, United States Code, Section 20(1), since it was an insured depository institution under the Federal Deposit Insurance Act, Title 12, United States Code, Section 1813(c)(2).

3. On or about May 25, 2007, Littles obtained a commercial loan from Liberty Bank, identified as CIF #201585307, Note #23301486 (herein, “the Liberty Bank Loan”), which was a line of credit in the amount of \$105,000. Littles listed property as collateral for the loan, including: “[a]ll farm products including, but not limited to, all poultry and livestock and their young, along with their produce, products and replacements.” Further, the loan agreement Littles signed on behalf of Poco Cala, LLC and in his own capacity, stated that: “Debtor will not sell, offer to sell, license, lease, or otherwise transfer or encumber the Property without Secured Party’s prior written consent,” and further “[i]f the Property includes farm products, Debtor will provide Secured Party with a list of the buyers, commission merchandise, and selling agents to or through whom Debtor may sell the farm products.”

4. Between approximately May 25, 2007 and February 8, 2009, Littles obtained moneys and funds owned by, and under the custody or control of, Liberty Bank, by means of the commercial line of credit referred to herein as the Liberty Bank Loan. As of February 8, 2009, Littles owed a principal balance of approximately \$104,956.50 on the Liberty Bank Loan.

5. At all times material to this Indictment, **JESSE D. RICE**, Defendant, a resident of Christian County, Missouri, worked as Littles’s ranch hand.

6. From an unknown date, but at least as early as January 2009, until on or about March 2, 2009, in Christian County, in the Western District of Missouri and elsewhere, **JESSE D. RICE**, Defendant, and Littles, did knowingly combine, conspire, confederate and agree to commit acts in violation of the laws of the United States, specifically: to knowingly execute, or attempt to execute, a scheme or artifice to defraud a financial institution, and to obtain moneys, funds and other property owned by, or under the custody or control of, a financial institution, by

means of false or fraudulent pretenses, representations, or promises, in violation of Title 18, United States Code, Section 1344.

Manner and Means

7. During the course and in furtherance of the conspiracy, and in order to achieve the objectives of the conspiracy, Littles devised and executed a scheme and artifice to defraud Liberty Bank, and to obtain moneys, funds and other property owned by, or under the custody or control of, Liberty Bank, by means of false and fraudulent pretenses, representations, and promises.

8. It was a part of the scheme and artifice that having obtained money and property through and as a result of the line of credit established by the Liberty Bank Loan, Littles would and did sell property, specifically cattle used as collateral on the Liberty Bank Loan, without the knowledge or permission of Liberty Bank.

9. In order to conceal Littles' sale of the collateral, it was further a part of the scheme and artifice that Defendant would and did falsely report to law enforcement that the cattle had been stolen.

10. It was further a part of Littles' scheme and artifice that Littles would and did falsely and fraudulently file a claim for reimbursement against his insurance policy, specifically: Shelter Insurance Company, Farm Owners Policy #24-72-004956186-0002.

Overt Acts

11. In furtherance of the conspiracy and in order to achieve the objectives thereof, Defendant and Littles committed, and caused to be committed, the following overt acts in the Western District of Missouri, and elsewhere:

- A. Between approximately September 19, 2008 and February 8, 2009, Littles sold and otherwise disposed of at least 63 head of cattle that were collateral on the Liberty Bank Loan, without notifying Liberty Bank as he was required by the loan agreement.
- B. On or about December 17, 2008, Littles contacted a representative of Shelter Insurance Company, and requested a policy change on his Farm Owners Policy #24-72-004956186-0002. As a result of the request, the representative entered an Application for Change on Littles' behalf in the Shelter Insurance computer system, increasing the insurance coverage on his cattle from \$60,000 to \$100,000.
- C. On or about February 8, 2009, Defendant contacted the Christian County Sheriff's Office to report the theft of 53 head of cattle from the property of Littles, when he then and there well knew and believed no cattle had been stolen.
- D. On or about February 8, 2009, Defendant prepared and signed a statement describing the alleged cattle theft, and filed and caused the filing of a false Investigative Report by the Christian County Sheriff's Office alleging the violations "stealing animals" and "burglary – 2nd degree."
- E. On or about February 8, 2009, Littles prepared and signed a written statement to be included in the Christian County Sheriff's Office Investigative Report, which (1) stated that 53 cows were missing; (2) described the cattle as blacks, browns, and mottled; (3) estimated values per cow of \$1,150 - \$1,200 and \$1,100 - \$1,250; and (4) stated that the lights had been left on, the gate had been left open, that there were "lots" of tracks where none should have been, and a water bottle had been left in an alley.
- F. On or about February 8, 2009, Littles telephoned an agent with Shelter Insurance, and filed an insurance claim on the cattle theft that he claimed had occurred on or about that same date. As a result of that contact, on or about February 9, 2009, the agent submitted an insurance claim for \$66,250, on behalf of Littles by placing a telephone call to Shelter Insurance, Columbia, Missouri at 1-888-743-5837.
- G. On or about February 8, Defendant provided an on-camera interview with the television station KOLR-10 regarding the alleged cattle theft.
- H. On or about February 9, Defendant provided an on-camera interview with the television station KY3, regarding the alleged cattle theft.
- I. On or about February 10, 2009, Littles contacted a representative of Shelter Insurance, and provided the Christian County Sheriff's Office report number to be included in the insurance claim file.

- J. On or about February 12, 2009, in arranging an on-site inspection of cattle at his residence, Littles stated to a representative of Liberty Bank that he then had approximately 100 head of cattle remaining on the property. However, the representative counted approximately 37 head during the inspection.

All in violation of Title 18, United States Code, Sections 371 and 1349.

COUNT TWO
(Bank Fraud)

12. The factual allegations of paragraphs one through eleven of this Indictment are hereby re-alleged and incorporated by reference as though fully set forth herein.

13. From an unknown date, but at least as early as January 2009 and continuing until on or about March 3, 2009, in Christian County, in the Western District of Missouri and elsewhere, **JESSE D. RICE**, Defendant, did knowingly join in a scheme and artifice to defraud Liberty Bank, and to obtain moneys, funds and other property owned by, or under the custody or control of, Liberty Bank, by means of false and fraudulent pretenses, representations, and promises.

14. On or about February 8, 2009, in Christian County, in the Western District of Missouri, **JESSE D. RICE**, Defendant, executed and attempted to execute the scheme and artifice as set forth above, by filing and causing to be filed a false report with the Christian County Sheriff's Office.

All in violation of Title 18, United States Code, Sections 1344 and 2.

A TRUE BILL,

/s/ _____
FOREPERSON OF THE GRAND JURY

/s/ Steven M. Mohlhenrich

STEVEN M. MOHLHENRICH
Assistant United States Attorney

DATED: October 14, 2009