

ka reported that the Midwest Production Credit Association had induced him to sell his cow herd in order to receive an operating loan for another year. He sold the cows and received no loan. He was then forced into bankruptcy.

**Guaranteed loan fraud.** Dale and Virginia Krausnick of D.A.K. Ranch in Wauneta, Nebraska testified:

"We had been using the Wauneta Falls Bank in Nebraska for many years, and as we expanded, we needed to be able to borrow more money for operating expenses than they could lend, so we went to the First National Bank of McCook as a participating bank. We sold our grain and cattle, and the money was taken to the bank to pay off the notes. The interest rates began to climb, and the banks started to renew the notes very often, with higher interest rates, sometimes as often as every 60 to 90 days, not corresponding to the crop harvests or livestock selling time. We did not always have the money at the right time for the interest, so the interest was applied to the note and we were paying interest on interest.

"In 1984, the banks decided we needed to mortgage all our land to secure our notes and we were very reluctant to do this because we didn't have to do so before. Then they decided we should get a guaranteed loan from FmHA [Farmers Home Administration], and in the process of doing this, we

did, in fact, give them mortgages on everything: land, cattle, crops, vehicles, and machinery. This was in July of 1985. Our loan was approved on May 22, 1985, but we didn't realize that they had changed the purpose of the loan from an operating loan to read that the loan would be used to pay off an overline with the First National Bank in McCook. When the loan was disbursed, we were in the hospital with an emergency, and the bank maneuvered our daughter into paying \$378,000 of the \$400,000 loan to the First National Bank in McCook.

"In January of 1986, the Wauneta Falls Bank refused to advance more operating money. The WFB wrote to the FmHA one year after we had gotten the guarantee, demanding liquidation, because they said we didn't have a workable cash flow. As soon as we found out this was in progress, we filed for bankruptcy to protect ourselves. As soon as the bank found out, they wrote to FmHA and stated that we had too many assets to file for bankruptcy! This proves there was plenty of collateral to continue the loan, but they just wanted to have the farm and FmHA money. When we took bankruptcy, we were under the impression that interest stopped. We have been charged with interest since taking bankruptcy, which we believe is another injustice.

## Pohlad, the liquidator

The deregulation of the U.S. banking system in the early 1980s led to the ouster of local bankers who were interested in the development of the community. They were replaced by men such as Carl Pohlad of Minneapolis, ruthless speculators who view the local bank and its loans as assets to loot.

After decades of financial successes, backed by Minneapolis-based organized crime circles, Pohlad is today listed by *Forbes* as one of the wealthiest men in America. He owns over 30 banks outright, in North and South Dakota, Minnesota, Colorado, Illinois, and Wyoming, and many more indirectly. He recently sold several of his Minneapolis banks for a stake as the second largest shareholder in the second largest banking chain in Minnesota, First Bank System. Known as a chain banker and "the liquidator," he buys up distressed properties, loots them, bankrupts them, and dumps them. He learns of the financial condition of the local banks because his Minneapolis bank, Marquette National, became the corresponding bank for surrounding states. He has been caught selling farm loans through banks he controls, such as the Regent Bank of North Dakota, on the secondary market, in order to cash in on government guarantees by causing the farmer to go into bankruptcy.

Pohlad owes his success to the backing of the "Minneapolis mob" of organized crime, which stretches back to the gangster friends of Meyer Lansky.

The Anti-Defamation League and the Democratic Farmer Labor Party are intimately tied to the Minneapolis mob. Carl Pohlad has enjoyed their protection, along with his friends and fellow bankers Irwin Jacobs and Curtis Carlson, since the late 1950s and early 1960s. He sprang to prominence by buying up the Minneapolis Transit Authority, a property of Lansky mob associate Kid Cann, who looted it and went to jail when the pilfering became too public. Pohlad turned the authority into Minnesota Enterprises Inc., a company which, over the decades, bought and bankrupted various cash-rich businesses, ideal for money-laundering, such as Pepsi distributorships, franchises for snack foods, and beauty salon chains.

Pohlad's ownership of the Minnesota Twins baseball team and the Tropicana Hotel from 1968-72 fit the profile of a money launderer. He bought the Tropicana in the late 1960s when it was under the control of Meyer Lansky, and sold it to his business partner Deil Gustavson in 1972. Gustavson later went to jail for skimming money from the casino for the Kansas City mob.

This year, Pohlad's Minnesota Enterprises, Inc. filed for bankruptcy. In Minneapolis, the word is that Pohlad is anxious to keep ahold of the Minnesota Twins, because he knows they steal bases.