

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF WISCONSIN  
GREEN BAY DIVISION

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UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Case No. CR 16-64
	)	Green Bay, Wisconsin
vs.	)	
	)	May 6, 2016
RONALD H. VAN DEN HEUVEL,	)	1:31 p.m.
	)	
Defendant.	)	

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**TRANSCRIPT OF ARRAIGNMENT**  
BEFORE THE HONORABLE WILLIAM C. GRIESBACH  
UNITED STATES CHIEF DISTRICT JUDGE

APPEARANCES:

For the Plaintiff

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TRANSCRIPT OF PROCEEDINGS

Transcribed From Audio Recording

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THE CLERK: The Court calls Case No. 16-CR-64, United States of America vs. Ronald H. Van Den Heuvel, for arraignment. May I have the appearances, please?

MR. JOHNSON: Mel Johnson representing the United States, Your Honor. With me at counsel table is Special Agent Sara Hager from the Federal Deposit Insurance Corporation.

THE COURT: Good afternoon.

MS. DE PODESTA: Good afternoon, Your Honor. Nancy De Podesta and Ron Menaker (Phonetic) on behalf of Mr. Ron -- Ronald Van Den Heuvel who is here and present in court.

THE COURT: Good afternoon.

UNIDENTIFIED SPEAKER: Good afternoon, Judge.

PROBATION OFFICER: Good afternoon, Your Honor. Brian Koehler on behalf of Pretrial Services.

THE COURT: All right. Well, good afternoon, all.

This, of course, is the arraignment and an indictment has been returned. Do you have a copy of the indictment, Ms. De Podesta?

MS. DE PODESTA: Yes, Your Honor. We do have a copy of the indictment and we would waive formal reading of the indictment and enter a plea of not guilty at this time.

THE COURT: Okay. Mr. Washington, would you

1 indicate -- or, excuse me, Mr. Johnson, would you indicate  
2 the -- what the charges are and the maximum penalties, any  
3 mandatory minimums.

4 MR. JOHNSON: Yes, sir. There are a total of 13  
5 counts in the indictment.

6 Count 1 charges a conspiracy to commit bank fraud in  
7 violation of 18 U.S.C. § 371. If convicted of that --

8 I should back up a second and say Mr. Van Den Heuvel  
9 is charged in all 13 counts.

10 If convicted of that count Mr. Van Den Heuvel could be  
11 imprisoned for not more than five years, receive a fine of not  
12 more than \$250,000, or both. Plus he'd be subject, as he would  
13 be on all the counts, to a mandatory \$100 special assessment  
14 and, in the case of Count 1, a term of supervised release not to  
15 exceed three years.

16 Counts 2, 4, 6, 8, 10, 12 and 13 all charge bank fraud  
17 in violation of 18 U.S.C. § 1344. Well, I'll mention the  
18 penalties in a moment. Counts 3, 5, 7, 9 and 11 all charge  
19 making false statements to a federally insured financial  
20 institution, a violation of 18 U.S.C. § 1014. For all those  
21 counts, that is Counts 2 through 13, they all have the same  
22 possible maximum penalty on each count, that is, imprisonment  
23 for not more than 30 years, a fine of not more than \$1 million,  
24 or both, plus the mandatory special assessment and a term of  
25 supervised release not to exceed five years.

1 THE COURT: Thank you.

2 MR. JOHNSON: Yes.

3 THE COURT: So -- and further, reading has been  
4 waived, not guilty has been entered.

5 Of course, Mr. Van Den Heuvel, and I assume your  
6 attorneys have mentioned to you and you're aware of it, you  
7 have, of course, the right to counsel which you've retained on  
8 your own. Of course, if you could not afford counsel one would  
9 be appointed.

10 You also, of course, have the right to the presumption  
11 of innocence and a full trial with a jury trial. Anything you  
12 say can and would be -- could be used against you. You'll have  
13 the right to confront any witnesses and the right to a unanimous  
14 verdict, use of -- to put on a defense, those types of things.

15 Do you understand?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: All right. Let's see. Under the Speedy  
18 Trial Act the trial in the case is to commence no later than  
19 July 15th of 2016. We would schedule this case then for trial  
20 for July 11, 2016, starting at 8:30. The final pretrial  
21 conference will be on June 23rd, 2016, at 1:30.

22 The assigned magistrate judge -- and the practice in  
23 this district is that pretrial matters be referred to the  
24 magistrate judge -- is Magistrate Judge David Jones and that  
25 would be in Milwaukee. Evidentiary hearings would usually occur

1 in front of the Court, so I would conduct those here. But for  
2 most pretrial matters, discovery issues, things like that, it  
3 would go at least first to the magistrate judge in Milwaukee.

4 As I said, the final pretrial conference then June  
5 23rd, 2016 at 1:30, and that's here.

6 Mr. Johnson, do you have an estimate as to what the  
7 length of the trial would be if it goes?

8 MR. JOHNSON: Well, it's --

9 THE COURT: Let me also ask you at this point, is this  
10 a case where we may see requests for a longer period of motion  
11 practice or discovery? Is it a complex case that you're likely  
12 to see those types of issues?

13 MR. JOHNSON: Well, to be honest --

14 THE COURT: Your opposing counsel I think is nodding  
15 but --

16 MR. JOHNSON: Well, yeah, I've also discussed this  
17 with co-defendant Kelly Van Den Heuvel's counsel very briefly.  
18 There is a lot of material here. I've given a disk to defense  
19 counsel with all available discovery and we're following our  
20 normal discovery practices. There's quite a bit of material  
21 but I think, to be fair, not all of it is of great significance.  
22 The theory of the case is relatively straightforward. So I  
23 would say the defense could make a reasonable argument that this  
24 is a complex case, but I honestly don't see it as particularly  
25 complex.

1 THE COURT: Well, let's wait and see. I seldom -- I  
2 certainly don't -- you know, if we move the trial date that may  
3 very well be necessary given the short times under the federal  
4 law, but I don't want to put it off very long. And so let's let  
5 the defense look at what the material is and they can assess  
6 what kind of time they'll think they need.

7 MR. JOHNSON: That's fair.

8 THE COURT: And then that can be brought up with  
9 probably a combination of both the magistrate judge and myself.  
10 Okay. Well, we'll set these dates nevertheless  
11 assuming it goes. But -- and we'll set it for July 11th. But  
12 the question -- the other question I asked was your estimate as  
13 to the length. Are we looking at a week or more than that?  
14 Or --

15 MR. JOHNSON: Well, I would say not more than a week.  
16 And it may be affected whether one, two or three defendants  
17 would go to trial.

18 THE COURT: Sure.

19 MR. JOHNSON: But I would say not more than a week.

20 THE COURT: Okay. All right. Well, we'll put it down  
21 for a week at this point and wait to see.

22 And I take it from what you've already said your  
23 office's open discovery policy is going to apply in this case.

24 MR. JOHNSON: That's true.

25 THE COURT: So then we'll set the following motion

1 schedule, again with the understanding it can be adjusted if  
2 necessary because of later disclosures or the amount of  
3 discovery.

4 The moving party, though, should file by May 20th; the  
5 opposing party respond by May 31st and a reply, if any, by June  
6 6th.

7 I'll order that the government disclose to the defense  
8 the appropriate grand jury materials no later than one business  
9 day before the commencement of the trial.

10 And how about the issue of release and detention?  
11 What's the government's position here today?

12 MR. JOHNSON: Well, Mr. Van Den Heuvel's bail  
13 situation is I think an unusual one. On the one hand there's a  
14 number of factors about him which would seem to indicate he's a  
15 good bail risk. That is, he does not have a prior criminal  
16 record; he has family here in the Green Bay area; he has  
17 business interests here; he has a house; he's a Green Bay guy.  
18 It seems he's lived almost all of his life in this area.

19 However, there are a number of factors about  
20 Mr. Van Den Heuvel which give the government pause, and under a  
21 number of circumstances it's difficult to accept  
22 Mr. Van Den Heuvel's assurances that he will appear. Let me  
23 kind of discuss those circumstances.

24 First of all, he's charged in this case with bank  
25 fraud. I think it's publicly known that he's under

1 investigation for additional investment fraud in getting people  
2 to invest in his various business ventures. He's been civilly  
3 sued for investment fraud by investors in two different cases.  
4 There's a 2013 civil case here in Brown County in which he had a  
5 judgment taken against him for \$813,000, it was affirmed on  
6 appeal. There was a more recent case in 2015 involving several  
7 investors. In that case there was -- a receiver was appointed  
8 by the state court judge to kind of control the property until  
9 the matter was resolved. Despite that Mr. Van Den Heuvel sold  
10 equipment worth \$650,000 to some entity out of state. The judge  
11 here ordered him to return the equipment or pay \$650,000 to the  
12 receiver by April 19th. Mr. Van Den Heuvel failed to do that.  
13 He was held in contempt and a warrant was issued for his arrest  
14 the next day.

15 Mr. Van Den Heuvel did not turn himself in and his  
16 whereabouts were unknown and instead he filed bankruptcy for the  
17 business entity involved. That was a business called Green Box.  
18 He filed for that on April 27th. That had the effect of staying  
19 any collection efforts including the receiver's efforts which  
20 made the warrant be no longer in effect.

21 Beyond this Mr. Van Den Heuvel has consistently  
22 overinflated estimates of his wealth and business activities.  
23 Here in his representations to Pretrial Services he alleges that  
24 he has assets worth over \$800 million. He alleges an estimated  
25 net worth of over \$773 million, yet almost none of it is



1 tangible and verifiable. He claims a net worth of over \$733  
2 million, yet he only has, according to him, \$682 in actual  
3 liquid assets. I mean who has a net worth of over \$733 million  
4 and only has \$682 in the bank?

5 He claims monthly income of \$115,000, yet -- and  
6 monthly cash flow of over -- positive cash flow of over \$95,000,  
7 yet he has almost no tangible assets. He claims that he owns a  
8 9 percent equity stake in a company called Earth, but he lists  
9 his securities in Earth as being worth \$711 million. If you  
10 figure that out mathematically, if 9 percent of Earth is worth  
11 \$711 million that means Earth is worth a total of \$7.9 billion.  
12 Earth is an entity connected to Mr. Van Den Heuvel's sort of web  
13 of interlocking companies and there's considerable evidence  
14 indicating that Earth isn't really doing much business. So  
15 again, it's an example of how Mr. Van Den Heuvel is continually  
16 not credible.

17 He also travels internationally a lot according to the  
18 bail study, and if he's even close to honest about his financial  
19 situation he would have the financial wherewithal to move  
20 permanently out of the country.

21 Based on all that I would recommend that he be  
22 required to post a property bond of \$300,000 on his residence,  
23 which is a house at 2303 Lost Dauphin Road in De Pere. He  
24 claims an assessed value of close to \$1,900,000 on that house.  
25 There's no mortgage listed on the house, so presumably that's

1 owned free and clear. And so that should easily cover a  
2 \$300,000 property bond. And I think posting the bond on his  
3 family's residence would be an adequate deterrence to deter  
4 Mr. Van Den Heuvel from not appearing in the future.

5 Now, I realize that the Court would want to see  
6 evidence of ownership and equity and that may take a little  
7 while to arrange, and so I would certainly be agreeable to  
8 giving Mr. Van Den Heuvel some time to do that and I wouldn't  
9 object to the Court giving say until May 16th, which would be 10  
10 days from now, to submit documents verifying ownership and  
11 equity.

12 I would also request, consistent with what I said  
13 about international travel, that Mr. Van Den Heuvel be required  
14 to surrender his passport.

15 THE COURT: Ms. De Podesta?

16 MS. DE PODESTA: Your Honor, we would agree with the  
17 recommendation of the Pretrial Services reports. We think that  
18 the conditions set forth in the Pretrial Services report are  
19 appropriate, and those are: That Mr. Van Den Heuvel should  
20 report to the Pretrial Services officer as directed and that he  
21 shall surrender his passport to the clerk of court unless  
22 international travel is approved for work.

23 The Pretrial Services officer specifically notes that  
24 there are no known factors indicating the defendant poses a risk  
25 of nonappearance.

1 I think as Mr. Johnson noted, and I agree with him in  
2 this respect, Mr. Van Den Heuvel is a life-long resident of this  
3 area. His ties are here, his home is here, his children are  
4 here, his family is here. His family is here and they are  
5 present with him today in court. His business is here.

6 (Brief pause.)

7 MS. DE PODESTA: Sorry about that. Mr. Van Den Heuvel  
8 has been a subject of investigation as was noted by the  
9 government for quite some time. He has been aware of this.  
10 This has been going on for well over a year. He has had ongoing  
11 litigation as noted by the government for quite some time, far  
12 exceeding a year, and despite that he has never left, he has  
13 never fled, he has remained here the entire time to face his  
14 responsibilities.

15 With respect to international travel, he has had no  
16 international travel in the last two years. And as we  
17 indicated, we don't object to turning over the passport to  
18 Pretrial Services with the understanding that if and when the  
19 time came and he wanted to travel internationally for business  
20 purposes we would come before Your Honor and ask permission of  
21 the Court to do just that.

22 With respect to this arrest warrant. I think it's  
23 fair to say that I definitely disagree with the way in which the  
24 proceedings in another court were characterized. That having  
25 been said, I'm not going to go into the details of those

1 proceedings or -- I don't think it makes sense to litigate those  
2 proceedings here.

3           What I will say, however, with respect to the arrest  
4 warrants, is that Mr. Van Den Heuvel upon learning of the arrest  
5 warrant was in touch with the deputy, Sally Bane (Phonetic) from  
6 the Brown County Sheriff's Department. She had reached out to  
7 him to let him know that there was a warrant that was -- that  
8 was out for his arrest.

9           He happened to have been on Monday, I can tell you  
10 that he was in Chicago meeting with us, he did not actually hear  
11 from Deputy Bane until Tuesday morning at 8:26 a.m. when he  
12 received a text message from her. He called her that same day.  
13 He was getting advice from an attorney, not either of the  
14 attorneys who are present here, because there was a bankruptcy  
15 petition that was being filed and that was -- that was something  
16 that occurred prior to even learning that there was an arrest  
17 warrant out for him.

18           And he then learned he remained in contact with the  
19 deputy during the time that the arrest warrant was outstanding  
20 and that this matter was being handled.

21           Finally, on Wednesday Deputy Bane advised him that the  
22 warrant had been quashed. I, as his attorney, further confirmed  
23 that because Mr. Van Den Heuvel would have turned himself in had  
24 the warrant remained outstanding.

25           Mr. Van Den Heuvel has been here in Green Bay, in De

1 Pere throughout the time of all sorts of litigation and  
2 inquiries and interviews of potential witnesses regarding  
3 various matters. He has consistently while having some travel  
4 for business in the United States, he's always come back to  
5 Green Bay. Even during the time of this arrest warrant when  
6 information was being reported that no one knew of his  
7 whereabouts, he was at home every night. He was driving his  
8 kids to school every day. He was in touch with the deputy from  
9 Brown County. In no way was he circumventing or evading this  
10 arrest warrant.

11 And so for these reasons we would agree with the  
12 recommendation of the Pretrial Services officer.  
13 Mr. Van Den Heuvel was summoned to appear here today in court.  
14 Obviously, he was not arrested, he was not held in custody prior  
15 to these proceedings, and he had the -- he has shown up as he  
16 has been ordered to do and he will continue to do that  
17 throughout these proceedings.

18 THE COURT: Mr. Johnson, any response?

19 MR. JOHNSON: No, Your Honor.

20 THE COURT: Well, what I didn't hear, first of all,  
21 Pretrial Services I don't think had anywhere near the  
22 information Mr. Johnson reported. I don't see it in the report.  
23 And I didn't hear any explanation as to why posting this type of  
24 security would be any hardship on him. If, in fact, his  
25 finances are as reported in the Pretrial Services report, this

1 is a minor matter. The government is not asking for detention  
2 as of today. And I simply think that given the allegations, the  
3 exposure, frankly the -- the circumstances and I think that the  
4 request for some sort of security, some sort of assurance he'll  
5 be here is reasonable. If, in fact, he has the financial  
6 ability to leave the country, the wealth somewhere, and he's  
7 used to international travel, then it seems reasonable to expect  
8 something more.

9 So I'm going to order that you surrender the passport,  
10 report to Pretrial Services as directed, and a posting of a  
11 property bond on his residence in the amount of \$300,000. That  
12 should be done by May 16th of -- and I can set a hearing on that  
13 date in the event that there's some difficulty or thing we  
14 should address at that point.

15 MS. DE PODESTA: I think that makes sense.

16 THE COURT: Yeah. If there's a good reason why it  
17 would be difficult for him to post anything I'll listen to that.  
18 But it seems to me that given the magnitude of the charges he's  
19 facing -- and I know I'm just hearing one side of this case --  
20 but the seriousness of the allegations and the strength of the  
21 evidence alleged, I think we're going to have to look at  
22 something more.

23 Let's see. May 16th would bring us to --

24 MS. DE PODESTA: Your Honor, I've just been advised by  
25 Mr. Van Den Heuvel that he does not own the house. So I think

1 that posting the house is going to be difficult.

2 THE COURT: Okay. Well, let's talk with -- why don't  
3 you converse with the government on some other arrangement that  
4 would amount to a similar security. Or else there needs to be a  
5 revision of this financial statement because I do not see any  
6 reason why he's incapable of posting any kind of security to  
7 assure his --

8 MR. JOHNSON: Well, also, Your Honor, the financial  
9 statement indicates the house as an asset with no mortgage  
10 listed.

11 THE COURT: I think there needs to be some discussion.  
12 We can take this up again on May 16th if there's no agreement by  
13 the parties.

14 And I'm looking at -- of course, if there's agreement  
15 by the parties you don't need to appear, but otherwise let's  
16 have this on at 3:30 in the afternoon on May 16th. That's a  
17 Monday.

18 Anything further to address then?

19 MR. JOHNSON: Well, let me just ask, what's the  
20 situation then in the meantime? I guess Mr. Van Den Heuvel is  
21 saying that he can't post a property bond on the house, so -- is  
22 he just out on his own recognizance --

23 THE COURT: Report to Pretrial Services. Would you  
24 want electronic monitoring?

25 MR. JOHNSON: Well, no, I -- I guess --

1 THE COURT: My sense is --

2 MR. JOHNSON: What I --

3 THE COURT: Surrender the passport forthwith.

4 MR. JOHNSON: Yeah.

5 THE COURT: Report to Pretrial Services. And we'll  
6 address the question of bond further. If he can't -- if there's  
7 no -- I'm ordering \$300,000 cash bond. And we'll -- I recognize  
8 it may take some time in order to arrange that, and we'll set it  
9 for a further review on May 16th if it's not posted.

10 MS. DE PODESTA: And, Your Honor, Mr. Van Den Heuvel  
11 does not have his passport with him here today. Is it fair for  
12 him to bring it to the Pretrial Services on Monday?

13 THE COURT: That's fine. It will be deposited with  
14 the Clerk of Court, but Pretrial Services can take care of that.

15 MS. DE PODESTA: Sure. Thank you.

16 THE COURT: All right. Anything further we should  
17 address then today?

18 MR. JOHNSON: I have nothing.

19 THE COURT: All right, then this matter is --

20 MS. DE PODESTA: Your Honor --

21 THE COURT: Yes.

22 MS. DE PODESTA: We would just move for the early  
23 return of trial subpoenas.

24 THE COURT: Pardon?

25 MS. DE PODESTA: We would move for the early return of



1 trial subpoenas.

2 THE COURT: Mr. Johnson, any objection to that?

3 MR. JOHNSON: I assume Ms. De Podesta means that --

4 THE COURT: She wants to know who --

5 MR. JOHNSON: -- they can serve trial subpoenas that  
6 require parties to produce whatever subpoena prior to trial?

7 MS. DE PODESTA: That's correct.

8 MR. JOHNSON: Okay. I don't object to that.

9 THE COURT: Okay. Very well. I'll assume you'll work  
10 things out; if not, you can let me know.

11 MS. DE PODESTA: Great.

12 THE COURT: All right. Then this matter is concluded.

13 MR. JOHNSON: Thank you.

14 (Audio file concluded at 1:53:51 p.m.)

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C E R T I F I C A T E

I, JOHN T. SCHINDHELM, RMR, CRR, Official Court Reporter and Transcriptionist for the United States District Court for the Eastern District of Wisconsin, do hereby certify that the foregoing pages are a true and accurate transcription of the audio file provided in the aforementioned matter to the best of my skill and ability.

Signed and Certified May 12, 2016.

/s/John T. Schindhelm

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