



Federal Deposit Insurance Corporation

Office of Investigations
Office of Inspector General

MEMORANDUM OF INTERVIEW

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| INTERVIEW OF Paul Piikkila | DATE OF INTERVIEW March 2, 2016 | INTERVIEWED BY Brian Due, Special Agent, FBI Sara Hager, Special Agent, FDIC OIG Mel Johnson, Assistant US Attorney, US Attorney's Office – Eastern District of Wisconsin Matthew Krueger, Assistant US Attorney, US Attorney's Office – Eastern District of Wisconsin |
| INTERVIEW HELD AT US Attorney's Office – Eastern District of Wisconsin, 517 E Wisconsin Ave, Milwaukee, WI | PEOPLE PRESENT Piikkila, Hager, Johnson, Krueger, Due, Sanders | |

- 1 On the above mentioned date, Paul Piikkila (Piikkila) was interviewed by FDIC – OIG Special
2 Agent Sara Hager, Assistant US Attorneys Mel Johnson and Matt Krueger from the US Attorney's
3 Office – Eastern District of Wisconsin, and FBI Special Agent Brian Due. Dan Sanders from
4 Kohler, Hart and Powell Law Firm was also present and representing Piikkila.
- 5 Piikkila understood that the interview was continuing under the same proffer terms as the previous
6 interview on April 15, 2015, and had no additional questions.
- 7 Piikkila began by stating that when he was closing Ron Van Den Heuvel's (Van Den Heuvel)
8 deposit accounts at Horicon Bank (HB) that one account was over \$13,000 overdrawn. Piikkila
9 paid the overdraft with his credit card and he was reimbursed from the Source of Solutions (SOS)
10 loan. The \$13,361.21 check was made payable to Bank of America [attachment 1].
- 11 RVDH was supposed to be a company to acquire and/or pulp wood to make paper. The equipment
12 was never purchased and the company never got off the ground. The Wisconsin Economic
13 Development Corporation (WEDC) funds were supposed to buy this sorting equipment for Green
14 Box, NA. This sorting equipment cost approximately \$280-300,000, and cost \$80,000 to transport
15 from Pittsburg. Van Den Heuvel previously had it housed at a warehouse located on Circle Drive in
16 Green Bay.
- 17 Piikkila repeatedly asked to see the RVDH sorting equipment but Van Den Heuvel never gave a
18 straight answer, stating that it was being refurbished. Piikkila didn't know what the RVDH money
19 was used for.

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AGENTS SIGNATURE(S)

FEDERAL DEPOSIT INSURANCE CORPORATION

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FDIC OIG FORM 95-131

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- 1 Van Den Heuvel takes money from banks and investors to pay personal and business expenses.
- 2 Piikkila didn't realize this until he started working for Van Den Heuvel.
- 3 Van Den Heuvel treats business and personal expenses as one big entity.
- 4 Piikkila believed that Van Den Heuvel has a good business plan but he never uses his money for
- 5 what he says he is. Piikkila witnessed this while he was working for him.
- 6 Piikkila stated that Van Den Heuvel monetized his patents for his personal financial statement
- 7 based on his own speculation. There was no independent audit. Van Den Heuvel claimed a \$2.3
- 8 million annual salary even though his businesses didn't cash flow. Piikkila didn't conduct any
- 9 independent verification of Van Den Heuvel's claims on his personal financial statement.
- 10 Piikkila was hired by Van Den Heuvel in May 2010 to replace Steve Peters (Peters). Van Den
- 11 Heuvel had made some money with the Eco Fiber plant, but when Piikkila started it wasn't running.
- 12 It could have been fully operational but was hard to maintain. Brian Glime was the only one that
- 13 could service the equipment. The only time that they ran the equipment was for trials or tours. Van
- 14 Den Heuvel did run the plant for about three weeks, but instead of using the money at/for the plant,
- 15 he used it elsewhere.
- 16 Piikkila said the process for making paper can be very complex. The waste has to be "de-inked"
- 17 and cleaned of waste material to create sludge waste and then repurpose the material. The extra
- 18 material from the "de-inking" can be used for other material and/or fuel, thereby creating less waste
- 19 overall. Van Den Heuvel was never able to accomplish this; however, there is another company in
- 20 Michigan that has the technology. Europe and Canada already have this technology, too, so it is a
- 21 totally viable technology. This type of paper would have to be sold within a 100 mile radius, so
- 22 Green Bay is a good location due to all the paper plants.
- 23 Van Den Heuvel made claims that his process didn't use bleach, but this wasn't true. It isn't
- 24 possible to make clean paper without using bleach. Van Den Heuvel moved the bleaching part of
- 25 the process to the "soap bath" at another facility so he could claim they didn't use bleach.
- 26 Some Van Den Heuvel investors included:
- 27 • Ken Partis (Partis) for \$500,000
- 28 • Howard Bedford (Bedford) – he is involved with Dominick's food chain
- 29 Van Den Heuvel would tell people that he could make 200/tons of material a day, but the plant only
- 30 produced 140/tons a day.
- 31 Van Den Heuvel was the only person with signing authority with the companies.

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Debra Stary worked as Van Den Heuvel's secretary for 17-18 years. She was his right hand person, kept all the ledgers and was in charge of and maintained finances. She had no decision making authority.

Debra Stary was the Vice President of Nature's Way. She didn't want to be on the Board but Van Den Heuvel brow beat her until she agreed. Piikkila didn't know if Stary and Van Den Heuvel had a romantic relationship. Van Den Heuvel was intimidating and Piikkila once saw him punch Howard Bedford. They had a fight because Van Den Heuvel approached Dardus and asked him to invest \$30,000. Bedford told him not to invest. Van Den Heuvel needed the money immediately for the Waste Fiber facility.

Steve Peters was with Van Den Heuvel for seven to eight years and worked as a manager.

Piikkila had a \$250,000 loan limit at HB.

STEVE PETERS

Piikkila couldn't loan any money to Waste Fiber Recovery because Van Den Heuvel had ownership in the company so Van Den Heuvel asked if Piikkila could loan money to Peters so he could sell fiber independently, however, ultimately this benefitted Van Den Heuvel's business. Van Den Heuvel and Peters both told him Peters was going to sell the fiber in his own name, however, the end goal was to assist the plant. Piikkila acknowledged that bringing Peters in on the loan was a way to circumvent Van Den Heuvel being on the loan. Piikkila said that technically Waste Fiber was not part of Nature's Way.

Piikkila didn't know why Van Den Heuvel signed the 1/31/10 disbursement for the Peters loan renewal. He couldn't recall if Van Den Heuvel was at the signing (Attachment A).

The Peters loans were consolidated for ease of management.

KYHKJG

Van Den Heuvel approached Piikkila for the KYHKJG loans. At the time, Piikkila didn't know that Van Den Heuvel's ex-wife, Jan, lived in the house. Van Den Heuvel was required to maintain a house for her in DePere and Savannah, GA. It wasn't Piikkila's practice to get a rental agreement prior to this type of deal. Piikkila thought that the \$70,000 line of credit was to be used for maintaining the house. He didn't know that Van Den Heuvel used it for other purposes. Piikkila didn't see these loans as a way to circumvent the bank.

BAIN

Regarding the Bain loan, Piikkila didn't think the collateral arrangement was strange because the people involved were very successful. Sharad Tak (Tak) was current on his payments to Van Den

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Heuvel and Piikkila thought the other bank [agent's note: Nicolet Bank] had done their due diligence when taking Tak's promissory note as collateral. Bain was a successful and accomplished businessman. Piikkila thought that 50% of the loan proceeds were going to be used for a joint business venture for Bain and Van Den Heuvel. Piikkila didn't know why he thought that. Piikkila admitted this loan was a way to circumvent the bank.

Bay Lake Bank funded a loan for Bain and Van Den Heuvel to buy hunting land. Either Bain or Van Den Heuvel said that the HB loan proceeds were going to pay down loans Bain had taken out for Van Den Heuvel at other banks. At the closing Bain said he wasn't going to repay the loan. Piikkila said that if he wasn't going to pay the loan not to sign but Bain signed anyway. Bain looked like he was competent and knew what he was doing. Piikkila thought that he was creating another hopefully successful business relationship with for HB with Bain. Van Den Heuvel's collateral was going to make payments and Bain was secondary. Piikkila emailed Van Den Heuvel when payments came due. Van Den Heuvel was the primary contact for the loan. Piikkila didn't think there was anything wrong with the loan because it was well collateralized, but now realizes he was probably fooling himself. Piikkila didn't know that what he was doing was criminal.

JULIE GUMBAN

Piikkila thought that Julie Gumban (Gumban) had a strong personal financial statement. He didn't know who prepared it or who gave it to him (Attachment B). He thought that the statement was accurate and noted that Gumban had assets and no expenses. He couldn't recall if Gumban signed the statement in front of him. He recalled questioning her credit card debt, but couldn't remember her response. It was only later that he found out Kelly Van Den Heuvel was using Gumban's credit cards.

SOURCE OF SOLUTIONS

Van Den Heuvel had Stary sign the Source of Solutions loan so Van Den Heuvel didn't have to. Piikkila called Van Den Heuvel to figure out the loan arrangements. Piikkila believes that Van Den Heuvel has other people on the Board of his companies to take the heat off him. Piikkila noted that he helped HB foreclose on the forklifts that were the collateral. HB's attorney, Sam Kaufman, asked Piikkila to secure the forklifts. The lessor had stopped making payments so Van Den Heuvel moved the forklifts to the Eco Fiber plant. Piikkila ended up signing the receipt for them so he was then personally liable for the equipment. After they were at the plant, he called Kaufman so HB could pick them up.

RVDH

There were two RVDH loans he approved at HB. One was paid off. The loan was collateralized by the GBSA. RVDH was not a cash intensive business. Piikkila believed that the loan that wasn't paid off was possibly for payroll and didn't know if taxes were taken out.

Piikkila said it is in Van Den Heuvel's nature to fight everything. Van Den Heuvel believes in his business plan and doesn't want to start out small. He wants his business to be big.

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- 1 Piikkila believes that Van Den Heuvel has so many companies because he opens a "clean" entity
2 and transfers the assets to them. He said that Van Den Heuvel has pledged the same collateral for
3 multiple loans, including loans at Bay Lake Bank.
- 4 Piikkila kept emails from when he worked for Van Den Heuvel. He also used his personal
5 computer when he worked for him which he still has in his possession. Piikkila was employed as a
6 consultant with a salary of \$25,000/quarter and was supposed to pay the income tax on his salary
7 separately. Piikkila didn't have an employment contract and Piikkila didn't receive any salary from
8 Van Den Heuvel in the 17 months he worked for him. Van Den Heuvel always paid the single
9 mothers first. Piikkila eventually left because he wasn't being paid. He sued Van Den Heuvel for
10 back pay. Van Den Heuvel asked him to settle out of court but all he paid was the \$2,700 in filing
11 fees for the lawsuit.
- 12 Piikkila was shown an email which outlined a proposed settlement for Van Den Heuvel and the HB
13 straw loans (Attachment C). Van Den Heuvel came up with the agreement and Piikkila typed it
14 out. The settlement wasn't Piikkila's idea because he wouldn't have approached the bank without
15 offering full payment. This settlement was Van Den Heuvel's way of taking responsibility for the
16 loans. Piikkila doesn't know why Van Den Heuvel doesn't write his own emails. He handwrites
17 emails and someone else sends them for him. People were not supposed to send emails from Van
18 Den Heuvel without his knowledge.
- 19 Van Den Heuvel is in denial that he is broke. He bought his wife a \$90,000 car last year and at one
20 point had one or two private planes. However, Van Den Heuvel had already gotten rid of the planes
21 before Piikkila went to work for him. Van Den Heuvel has property in Savannah, DePere (although
22 he thought that was actually owned by his brother in law Pedro Fernandez). The Van Den Heuvels
23 lead an expensive lifestyle.
- 24 Bay Lake Bank has the first mortgage on the Eco Fiber plant.
- 25 Piikkila did the projections for the WEDC loan. There were no customers for the fuel pellets, but
26 there were interested parties including Jaden LNU and Bedford.
- 27 **ATTACHMENTS:**
- 28 A) Peters renew disbursement 1/31/10
- 29 B) Gumban personal financial statement
- 30 C) Email from Van Den Heuvel
- 31 D) Emails provided by Piikkila during proffer