

**UNITED STATES ATTORNEY'S OFFICE  
EASTERN DISTRICT OF MISSOURI**



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**NEWS RELEASE**

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For Immediate Release

**LOCAL REAL ESTATE DEVELOPER/BUILDING RENOVATOR PLEADS GUILTY TO  
FEDERAL CHARGES OF BANK FRAUD AND VIOLATING THE CLEAN AIR ACT**

St. Louis, MO: Matthew E. Burghoff pled guilty to multiple counts of bank fraud, money laundering and violations of the Clean Air Act involving his renovation of the Ford Building at 1405 Pine, St. Louis, and numerous other buildings and businesses in the St. Louis area, United States Attorney Catherine L. Hanaway announced today.

"Mr. Burghoff was engaged in a "rob Peter to pay Paul" type of activity by using loans for the renovation of a commercial building in Kirkwood for "other purposes," including his own bills and a second home in Mexico," said Hanaway.

According to the facts filed with the court, Burghoff was the owner, operator and developer of the Ford Building located at 1405 Pine in St. Louis, and was overseeing renovation work at the building. On September 19, 2007, the City of St. Louis Air Pollution Control Division received an anonymous letter referring the Ford building, which stated in part that "it appears that a property owner may be directing unqualified personnel to disturb and demolish friable asbestos-insulated piping. On October 1, 2007, an inspector with the Missouri Department of Natural Resources, accompanied by Burghoff, conducted an inspection of the Ford Building and observed asbestos debris swept into piles on floors 2 - 13 and approximately 60 black bags that Burghoff identified as containing dry asbestos material. Samples were taken by the inspectors and subsequent analysis confirmed the presence of regulated asbestos containing material.

Additionally, according to plea agreements, on July 12, 2006, Great Southern Bank loaned Burghoff/Mambo Development, LLC, approximately \$1.485 million to acquire a two-story commercial building at 104 -110 N. Clay and 157 West Argonne, Kirkwood, Missouri. On January 24, 2007, Burghoff/Mambo Development requested and received an additional \$273,216 from Great Southern to renovate the building to create leaseable space for a restaurant. Over approximately four months, the money was transferred from Great Southern Bank to accounts at National City Bank in Kirkwood, in the names of Matthew Burghoff or Mambo Development or to Matthew Burghoff Evaluation and Consulting at a First Bank account. A substantial amount of this money was not used for the specific purpose of renovation of the North Clay/West Argonne building for a restaurant. Burghoff admitted with his plea that he converted substantial money for his own use and either paid other bills or transferred these monies, as well as personal monies, to the Republic of Mexico for the purpose of building a second home for himself and his family.

**MATTHEW E. BURGHOFF**, Kirkwood, Missouri, pled guilty to one felony count of violating the Clean Air Act and one felony count of bank fraud this morning before United States District Judge Donald J. Stohr, who set sentencing for December 19, 2008.

Burghoff now faces a maximum penalty of five years in prison and/or fines up to \$250,000 for violation of the Clean Air Act; and 30 years prison and/or fines up to \$1,000,000 for bank fraud.

Hanaway commended the work performed on the case by Region 7 U.S. Environmental Protection Agency-Criminal Investigation Division, the Missouri Department of Natural Resources and First Assistant United States Attorney Michael W. Reap and Special Assistant United States Attorney Anne Rauch, who are handling the case for the U.S. Attorney's Office.