

NEWS



## **Two Fairbanks Residents Indicted For Wire Fraud, Theft From The City Of Tanana, A Local Government Receiving Federal Funds**

FOR IMMEDIATE RELEASE

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Anchorage, Alaska - U.S. Attorney Karen L. Loeffler announced today that two Fairbanks residents were charged with nine counts of wire fraud and three counts of theft from a local government receiving federal funds. The offenses charged occurred from December, 2009, through November, 2012.

The two defendants named in this indictment are Alfred R. "Bear" Ketzler, Jr. 57, and Alfred McQuestion Fabian, 62. The indictment charges that Ketzler was employed by the City of Tanana as the City Manager and was responsible for managing the City's property, including federal excess and surplus property the City obtained from the federal government. In this position, Ketzler was responsible to allocate surplus federal property to the City of Tanana where needed. Fabian was employed by the City of Tanana as an expeditor who was responsible for storing and transporting the City's property, including that received from the federal government.

The indictment alleges a scheme between Ketzler and Fabian whereby Ketzler would acquire surplus federal property that was stored at several different locations without notifying the Mayor of Tanana or the City Council for the City of Tanana of the federal excess and surplus property obtained on behalf of the City of Tanana. It is further alleged, that as part of the scheme, Ketzler, who conducted the majority of the business for the City of Tanana from his residence and his office in Fairbanks, did not provide adequate paperwork to the Mayor of Tanana or the City Council for the City of Tanana regarding federal excess and surplus property he obtained on behalf of the City of Tanana. It is alleged that Fabian, for his part, would transport federal excess and surplus property obtained on behalf of the City of Tanana to storage locations in and around Fairbanks, Alaska, including his own residence.

According to the indictment, after acquiring the surplus property, Ketzler, in coordination with Fabian, would sell the City of Tanana's federal excess property to individuals and businesses in Alaska for personal gain. As charged in the indictment, the property illegally sold by Ketzler and Fabian included heavy equipment such as trucks, fork lifts, bull dozers, and other industrial equipment. The indictment alleges that in most instances, Ketzler had the purchasers write their checks to Ketzler personally. Upon receiving the checks, Ketzler would then deposit the checks into his personal bank accounts.

The indictment also alleges that part of the scheme involved Ketzler lying to other possible purchasers of surplus federal property. As alleged in the indictment, Ketzler lied and misrepresented information to purchasers of the federal excess property. For example, Ketzler told purchasers that the property belonged to the City of Tanana and that he was selling the property on behalf of the City of Tanana.

The indictment alleges that Ketzler would deposit the proceeds from the sale of the City of Tanana's property into one of his personal bank accounts, and would then write a check to Fabian or transferred money into one of Fabian's personal bank accounts.

It was also a part of the scheme, as listed in the indictment, that Fabian converted some of the City of Tanana's federal excess property for his own personal use and that both he and Ketzler sold the City of Tanana's federal excess property through third-parties.

As a result of the scheme, it is alleged that Ketzler and Fabian received at least approximately \$122,100 in illegally obtained payments for the sales of the City of Tanana's property and \$3,650 in property converted to their personal use, for property which had an acquisition value to the United States of approximately \$984,390.

The maximum penalty for wire fraud is 30 years imprisonment with a \$250,000 fine. The maximum penalty for theft from a local government receiving federal funds is 10 years imprisonment with a \$250,000 fine. An arraignment date has not been set.

The investigation has identified numerous sales of federal surplus property by Alfred Ketzler and Alfred Fabian. Some of these sales are believed to have been authorized by the City of Tanana and some of these sales are alleged to have occurred without proper authority. The FBI and Office of Inspector General

believe that the sellers represented these sales as legitimate and they do not intend to seize the sold property and they do not consider the buyers to be suspects. The FBI and Office of Inspector General would like to speak to anyone who purchased equipment from Ketzler or Fabian to assist the City of Tanana and the Office of Inspector General in identifying all the sales that have occurred. Please call the FBI at (907) 452-3250 or (907) 276-4441 and ask to speak to Special Agent Sutherland if you have information about a sale or purchase of this federal surplus property.

Ms. Loeffler commends the Federal Bureau of Investigation and the Office of Inspector General, for the investigation of this case.

An indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt

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