

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	Case No.
v.)	
)	
KEITH AUSTIN,)	Violations: Title 18, United States Code,
CESAR MARIN,)	Sections 1028A, 1343, 1344, and 1512(c)
WILSON TITUS,)	
CLYDE BANKS,)	
aka "Charles Barksdale,")	
JOSEPH BATEAST,)	
STEVEN GAWLIK,)	
ROBERT BROWN,)	
CONSTANCE PAEK,)	
MARK PETTIS, and)	
MICHAEL THILL)	

COUNT ONE

The SPECIAL AUGUST 2012 GRAND JURY charges:

1. At times material to this indictment:

- a. Defendant KEITH AUSTIN resided in Broadview and Addison, Illinois, and controlled companies called Icy Investments, Inc. and Kesha & Icy Investments, Inc.
- b. Defendants CESAR MARIN, JOSEPH BATEAST, ROBERT BROWN, CONSTANCE PAEK, and MARK PETTIS were licensed loan originators in the State of Illinois.
- c. Defendant PAEK owned a company called Lighthouse Investment Group.
- d. Defendant WILSON TITUS resided in Broadview and Chicago, Illinois.
- e. Defendant CLYDE BANKS resided in Chicago, Illinois.
- f. Defendant STEVEN GAWLIK resided in Chicago, Illinois.
- g. Defendant MICHAEL THILL resided in Park Ridge, Illinois.

h. Chase Bank USA, NA, First Franklin Financial Corp, Franklin First Financial Ltd., CitiMortgage, Inc., Village Capital & Investment, LLC, United Wholesale Mortgage, and RBS Citizens, NA were lenders that funded mortgage loans.

i. Chase Bank USA, NA and RBS Citizens, NA were financial institutions whose deposits were insured by the Federal Deposit Insurance Corporation.

j. Citimortgage, Inc. was a wholly-owned subsidiary of Citibank, N.A., a financial institution whose deposits were insured by the Federal Deposit Insurance Corporation.

k. Lenders required applicants for mortgage loans to provide truthful information, including information regarding the applicant's name, birth date, employment, income, assets, liabilities, financial condition, real estate owned, rental income received, rent paid, identity of landlords, source of down payment, payment of earnest money, sales price of the property, value and condition of the property, and intention to occupy the property purchased, which information was material to the approval, terms, and funding of the loan.

l. Lenders sold the mortgage loans to other lenders and institutions. Lenders disclosed that the mortgage loans could be sold and the likelihood that the mortgage loans would be sold. The information provided in the loan applications and supporting documents, including the applicant's name, date of birth, employment, income, assets, liabilities, financial condition, real estate owned, rental income received, source of down payment, payment of earnest money, sales price, value and condition of the property, intention to occupy the property purchased, and payment history, was material to the successors' decisions to purchase the mortgage loans.

m. The United States Department of Housing and Urban Development, through the Federal Housing Administration, provided insurance protection guaranteed by the United States

government to private lending institutions that financed federally-insured mortgage loans to qualified borrowers. The information contained in loan applications and supporting documents, including information about the sale price of the property and the borrower's employment, income, assets, liabilities, source of down payment, and intention to occupy the property purchased, was material to the FHA's decision to insure mortgage loans.

2. Beginning no later than August 2004 and continuing through in or about October 2012, in the Northern District of Illinois, Eastern Division, and elsewhere,

KEITH AUSTIN,
CESAR MARIN,
WILSON TITUS,
CLYDE BANKS,
JOSEPH BATEAST,
STEVEN GAWLIK,
ROBERT BROWN,
CONSTANCE PAEK,
MARK PETTIS, and
MICHAEL THILL,

defendants herein, knowingly devised and participated in a scheme to defraud and to obtain money and property from lenders by means of materially false and fraudulent pretenses, representations, and promises and concealment of material facts, which scheme affected a financial institution, as described below.

3. It was part of the scheme that defendants AUSTIN, MARIN, TITUS, BANKS, BATEAST, GAWLIK, BROWN, PAEK, PETTIS, and THILL and others caused buyers to fraudulently obtain at least approximately 52 mortgage loans from lenders in a total amount of at least approximately \$14,589,916 in fraudulently obtained mortgage loans, by making and causing to be made false statements in documents submitted to lenders, including loan applications, real estate contracts, and HUD-1 settlement statements, which resulted in the lenders and their successors

incurring losses on the mortgage loans of at least approximately \$8,058,768 because the mortgage loans were not repaid or fully recovered through subsequent sale or foreclosure.

4. It was further part of the scheme that defendants AUSTIN, TITUS, PAEK, PETTIS, and THILL and others recruited owners of residential real estate to sell their properties, knowing that they intended to falsely represent or cause to be falsely represented to lenders that the sales price was greater than the price at which the sellers had agreed to sell their properties so that defendants AUSTIN, TITUS, PAEK, PETTIS, and THILL and others could receive proceeds of the mortgage loans.

5. It was further part of the scheme that defendants AUSTIN, TITUS, BANKS, and PAEK and others referred and recruited individuals to act as straw buyers to buy residential real estate by promising prospective buyers, among other things, that the prospective buyers would not have to use any of their own money for down payments or earnest money deposits, they would be paid money to act as purchasers and attend closings, and they would not have to make any payments on the mortgage loans obtained to buy the properties.

6. It was further part of the scheme that defendants AUSTIN, MARIN, TITUS, BATEAST, BROWN, PAEK, and PETTIS and others knowingly prepared and caused to be prepared loan application packages for prospective buyers that contained false statements regarding, among other things, the prospective buyers' employment, income, assets, payment of earnest money, intention to occupy the property as their primary residence, the source of the down payment, and the sales price of the property.

7. It was further part of the scheme that defendants AUSTIN, MARIN, TITUS, BATEAST, BROWN, PAEK, and PETTIS and others created and caused others to create false

documents that were submitted to lenders to support the false statements in loan applications, including pay stubs, IRS Forms W-2, verifications of employment, verifications of rent, verifications of deposit, earnest money checks, and bank statements.

8. It was further part of the scheme that defendant BANKS signed false verifications of employment and false verifications of rent in the name of “Charles Barksdale” that he knew were submitted to lenders to cause lenders to make mortgage loans to the straw buyers recruited by defendant AUSTIN and others.

9. It was further part of the scheme that defendants AUSTIN and TITUS and others signed and caused buyers to sign HUD-1 settlement statements at the real estate closings, knowing that the HUD-1s falsely stated: the buyers provided the down payment when defendant AUSTIN provided the down payment; the buyers had paid earnest money to the sellers; and the sales price of the property.

10. It was further part of the scheme that defendants AUSTIN and THILL prepared and submitted and caused to be prepared and submitted to lenders real estate contracts that defendants AUSTIN and THILL knew contained false and fraudulent information, including inflated sales prices.

11. It was further part of the scheme that defendants AUSTIN, MARIN, TITUS, BATEAST, BROWN, and PAEK and others provided the loan application packages to lenders and caused loan application packages to be provided to the lenders that contained false statements and false supporting documents.

12. It was further part of the scheme that defendants AUSTIN, MARIN, TITUS, BROWN, and PAEK and others received the proceeds of the fraudulently obtained mortgage loans

on or around the dates of the closings of the mortgage loans and used the loan proceeds to enrich themselves.

4223 West Cullerton Street, Chicago, Illinois

13. It was further part of the scheme that defendant AUSTIN caused Buyer A to be recruited to act as a straw buyer to purchase 4223 West Cullerton Street, Chicago, Illinois, which was owned by AUSTIN's wife, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

14. It was further part of the scheme that defendants AUSTIN, BATEAST, and PETTIS prepared and caused the preparation of loan applications for Buyer A to obtain first and second mortgages from Chase Bank, which AUSTIN, BATEAST, and PETTIS knew falsely represented that: (a) Buyer A had been employed by White Construction as a project manager for three years and eleven months; and (b) Buyer A had total gross monthly income of at least \$5,967.

15. It was further part of the scheme that defendants AUSTIN, BATEAST and PETTIS knowingly caused the loan application package to be supported by the following false supporting documents: (a) pay stubs and Forms W-2 for 2005 and 2006 showing that Buyer A was employed by White Construction; and (b) a verification of employment signed by "Henry Lewis" showing that Buyer A was employed by White Construction.

16. It was further part of the scheme that defendants AUSTIN, BATEAST, and PETTIS caused the loan application packages to be submitted to Chase Bank, knowing that the loan application packages contained false statements and false supporting documents.

17. It was further part of the scheme that on or about April 30, 2007, defendants AUSTIN, BATEAST, and PETTIS caused Chase Bank to loan Buyer A approximately \$359,570

to purchase 4223 West Cullerton, knowing that the loan had been obtained through false statements and false supporting documents.

18. It was further part of the scheme that defendant AUSTIN's wife received proceeds of approximately \$78,967, and defendant AUSTIN used the proceeds to make the following payments, all of which were concealed from the lender: approximately \$15,000 to a company controlled by Buyer A; and approximately \$2,100 to defendant BATEAST.

1117 South Richmond Street, Chicago, Illinois

19. It was further part of the scheme that in 2006, defendants AUSTIN and TITUS recruited, and caused to be recruited, Buyer B to buy a property at 1117 South Richmond Street, Chicago, Illinois from defendant AUSTIN, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

20. It was further part of the scheme that defendant AUSTIN signed a real estate contract as the seller of 1117 South Richmond, knowing that the real estate contract falsely represented that Buyer B had paid earnest money of \$1,000 to defendant AUSTIN.

21. It was further part of the scheme that defendants AUSTIN, TITUS, and BANKS prepared and caused to be prepared a loan application for Buyer B to obtain a loan from First Franklin Financial Corp., knowing that the mortgage application falsely represented that: (a) Buyer B's gross monthly income was \$7,386; and (b) Buyer B was employed by Family Health & Wellness Center.

22. It was further part of the scheme that on or about April 5, 2007, defendant TITUS caused Buyer B to sign the mortgage loan application, knowing that the mortgage application falsely

represented that: (a) Buyer B's gross monthly income was \$7,386; and (b) Buyer B was employed by Family Health & Wellness Center.

23. It was further part of the scheme that on or about April 5, 2007, defendant AUSTIN signed, and defendants AUSTIN and TITUS caused Buyer B to sign, the HUD-1 at the closing of 1117 South Richmond, knowing that the HUD-1 falsely stated that Buyer B provided the down payment of approximately \$20,333, when defendants AUSTIN and TITUS knew that defendant AUSTIN provided the funds.

24. It was further part of the scheme that on or about April 5, 2007, defendants AUSTIN and TITUS caused First Franklin Financial Corp. to loan Buyer B approximately \$394,250 to buy 1117 South Richmond, knowing that the loan had been obtained through a loan application and HUD-1 that contained false statements and concealed material facts.

25. It was further part of the scheme that on or about April 5, 2007, defendant AUSTIN obtained proceeds from the mortgage loan for 1117 South Richmond, and used the proceeds to make the following payments, all of which were concealed from the lender: approximately \$5,000 to defendant TITUS; and approximately \$20,066 to Buyer B.

4744 West West End Avenue, Chicago, Illinois

26. It was further part of the scheme that in or about May 2007, defendants AUSTIN and TITUS recruited, and caused to be recruited, Buyer B to purchase a property at 4744 West West End Avenue, Chicago, Illinois, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

27. It was further part of the scheme that in or about early 2007, defendant AUSTIN and Recruiter A recruited Seller A to sell 4744 West West End for approximately \$180,000, defendant

AUSTIN knowing that he intended to cause to be represented to the lender that the sales price was more than \$180,000 so that defendant AUSTIN and others could receive proceeds of the mortgage loan.

28. It was further part of the scheme that defendant AUSTIN prepared and submitted and caused to be prepared and submitted to the lender a real estate contract that defendant AUSTIN knew contained false and fraudulent information, including an inflated sales price.

29. It was further part of the scheme that defendant AUSTIN caused defendant BROWN to prepare a loan application package for Buyer B to obtain a loan of \$332,500 from Chase Bank USA, NA, to purchase 4744 West West End, which defendants AUSTIN and BROWN knew falsely represented that Buyer B: (a) intended to occupy the property as his/her primary residence; (b) did not own any other properties; (c) earned \$6,850 per month as the medical records director of Family Health & Wellness Center; (d) had a 401k with a balance of \$17,000; and (e) the sales price was \$350,000.

30. It was further part of the scheme that defendants AUSTIN and BROWN prepared and caused to be prepared a mortgage loan application package, which defendants AUSTIN and BROWN knew was supported by the following false documents: (a) a verification of employment representing that Buyer B was employed by Family Health & Wellness Center; (b) pay stubs and Forms W-2 showing that Buyer B earned income from Family Health & Wellness Center; (c) a verification of deposit from Fifth Third Bank; (d) an occupancy affidavit; and (e) a false verification of rent.

31. It was further part of the scheme that defendants AUSTIN and BROWN and others caused the loan application package for Buyer B to be submitted to Chase Bank USA, NA, knowing that the loan application package contained false statements and false supporting documents.

32. It was further part of the scheme that on or about May 14, 2007, defendants AUSTIN and TITUS caused Buyer B to sign the HUD-1 at the closing of 4744 West West End, knowing that the HUD-1 falsely stated that Buyer B had provided the down payment, when defendants AUSTIN and TITUS knew that defendant AUSTIN had provided those funds.

33. It was further part of the scheme that on or about May 14, 2007, defendant TITUS caused Buyer B to sign the mortgage loan application, knowing that the mortgage application falsely represented that Buyer B was employed by Family Health & Wellness Center.

34. It was further part of the scheme that on or about May 14, 2007, defendants AUSTIN and TITUS caused Buyer B to use the proceeds from the fraudulently obtained mortgage loan for 1117 South Richmond to make the down payment at the closing to purchase 4744 West West End.

35. It was further part of the scheme that on or about May 14, 2007, defendants AUSTIN, TITUS, and BROWN caused Chase Bank to loan Buyer B approximately \$332,500 to purchase 4744 West West End, knowing that the loan had been obtained through false statements and false supporting documents.

36. It was further part of the scheme that defendant AUSTIN received proceeds of approximately \$106,653, and used the proceeds to make the following payments, all of which were concealed from the lender: approximately \$8,500 to defendant BROWN; approximately \$34,000 to Buyer B; and approximately \$7,000 to defendant TITUS.

7047 South Eggleston Avenue, Chicago, Illinois

37. It was further part of the scheme that in approximately February 2008, defendants AUSTIN and TITUS recruited and caused to be recruited Buyer C to purchase a property, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

38. It was further part of the scheme that in or about late 2007 or early 2008, defendants AUSTIN and THILL recruited Seller B to sell 7047 South Eggleston, Chicago, Illinois, for approximately \$160,000 or \$170,000, defendants AUSTIN and THILL knowing that they intended to cause to be represented to the lender that the sales price was more than \$170,000 so that defendants AUSTIN, THILL and others could receive proceeds of the mortgage loan.

39. It was further part of the scheme that defendants AUSTIN and THILL prepared and submitted and caused to be prepared and submitted to the lender a real estate contract that defendants AUSTIN and THILL knew contained false and fraudulent information, including an inflated sales price.

40. It was further part of the scheme that defendants AUSTIN and TITUS caused Loan Officer A to prepare a loan application package for Buyer C, knowing that the loan application package falsely stated that: (a) the source of the down payment was Buyer C's checking/savings accounts; (b) Buyer C was employed by Family Health & Wellness Center; and (c) Buyer C's gross monthly income was \$5,547.

41. It was further part of the scheme that defendants AUSTIN and TITUS caused the loan application for Buyer C's purchase of 7047 South Eggleston to be submitted to CitiMortgage, knowing that the loan application package contained false statements.

42. It was further part of the scheme that on or about April 14, 2008, defendants AUSTIN and TITUS caused CitiMortgage to loan Buyer C approximately \$313,500, knowing that the loan had been obtained through false statements and false supporting documents.

43. It was further part of the scheme that defendant AUSTIN received proceeds of approximately \$107,461 from the mortgage loan and used these funds to make the following payments, all of which were concealed from the lender: approximately \$5,000 to defendant TITUS, approximately \$5,500 to Buyer C and approximately \$6,270 to Loan Officer A.

44. It was further part of the scheme that defendant THILL received proceeds of approximately \$44,358 from the mortgage loan, which payments defendant THILL knew were concealed from the lender.

7023 South Wentworth Avenue, Chicago, Illinois

45. It was further part of the scheme that in approximately November 2008, defendants AUSTIN and BANKS and Recruiter B recruited and caused to be recruited Buyer D to purchase a property, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

46. It was further part of the scheme that in or about fall 2008, defendant AUSTIN recruited Seller C to sell 7023 South Wentworth Avenue, Chicago, Illinois, for approximately \$140,000, defendant AUSTIN knowing that he intended to cause to be represented to the lender that the sales price was more than \$140,000 so that defendants AUSTIN, MARIN, BANKS and others could receive proceeds of the mortgage loan.

47. It was further part of the scheme that defendant AUSTIN prepared and submitted and caused to be prepared and submitted to the lender a real estate contract that defendant AUSTIN knew contained false and fraudulent information, including an inflated sales price.

48. It was further part of the scheme that defendants AUSTIN and MARIN prepared and caused to be prepared a loan application package for Buyer D to purchase 7023 South Wentworth, which both defendant AUSTIN and MARIN knew falsely stated that: (a) the property was to be Buyer D's primary residence; (b) the source of Buyer D's down payment was his checking/savings; (c) Buyer D worked for Lighthouse Investment Group and earned \$6,614 per month; (d) Buyer D had an account at National City with a balance of \$26,044 and Chase Bank with a balance of \$23,647; and (e) the sales price was \$300,000.

49. It was further part of the scheme that defendants AUSTIN, MARIN, and BANKS knowingly caused the loan application package for Buyer D's purchase of 7023 South Wentworth to be supported by the following false documents: (a) false Forms W-2 and pay stubs showing that Buyer D worked for Lighthouse Investment Group; (b) false bank statements; (c) a real estate contract that falsely stated that the sales price was \$300,000 and that Buyer D paid Seller C earnest money of \$1,000; and (d) a false verification of rent signed by defendant BANKS using the fake name of "Charles Barksdale."

50. It was further part of the scheme that defendants AUSTIN and MARIN caused the loan application package for Buyer B's purchase of 7023 South Wentworth to be submitted to Village Capital & Investment, LLC, knowing that the loan application package contained false statements and false supporting documents.

51. It was further part of the scheme that on or about December 2, 2008, defendants AUSTIN and MARIN caused Village Capital & Investment, LLC to loan Buyer D approximately \$294,566 to purchase 7023 South Wentworth, knowing that the loan had been obtained through false statements and false supporting documents.

52. It was further part of the scheme that on or about December 2, 2008, defendants AUSTIN and TITUS caused Seller C to sign the HUD-1 at the closing of 7023 South Wentworth, knowing that the HUD-1 falsely stated that the sale price was \$300,000, when defendants AUSTIN and TITUS knew that Seller C had agreed to sell the property for \$140,000.

53. It was further part of the scheme that defendant AUSTIN received proceeds of approximately \$148,977 from the mortgage loan and used those funds to make the following payments, all of which were concealed from the lender: approximately \$15,000 to defendant MARIN; approximately \$30,000 to defendant BANKS; approximately \$5,000 to Recruiter B; and approximately \$5,000 to defendant TITUS.

622 North Homan Avenue, Chicago, Illinois

54. It was further part of the scheme that in or about late fall 2008, defendants AUSTIN and PAEK recruited, and caused to be recruited, Buyer E to purchase 622 North Homan Avenue, Chicago, Illinois, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

55. It was further part of the scheme that defendant AUSTIN caused defendant MARIN to prepare a loan application package for a loan of approximately \$368,207 from Village Capital & Investment, LLC to purchase 622 North Homan Avenue, which defendants AUSTIN and MARIN knew falsely represented that: (a) the property was to be Buyer E's primary residence; (b) the source

of the down payment was Buyer E's checking/savings; (c) Buyer E worked for Lighthouse Investment Group and earned \$6,629 per month; and (d) Buyer E had a bank account at Washington Mutual with a balance of \$65,226.

56. It was further part of the scheme that defendants AUSTIN and MARIN knowingly caused the loan application package for Buyer E's purchase of 622 North Homan to be supported by the following false documents: (a) false Forms W-2 and pay stubs showing that Buyer E worked for Lighthouse Investment Group; (b) false Washington Mutual bank statements for Buyer E; and (c) a false verification of employment.

57. It was further part of the scheme that defendant AUSTIN provided the \$14,000 down payment for Buyer E's purchase of 622 North Homan, knowing that the loan application falsely represented that Buyer E's checking/savings account was the source of the down payment.

58. It was further part of the scheme that defendants AUSTIN, MARIN, and PAEK caused the loan application package for Buyer E's purchase of 622 North Homan to be submitted to Village Capital & Investment, LLC, knowing that the loan application package contained false statements and false supporting documents.

59. It was further part of the scheme that on or about December 24, 2008, defendants AUSTIN, MARIN, and PAEK caused Village Capital & Investment, LLC to loan Buyer E approximately \$368,207 to purchase 622 North Homan, knowing that the loan had been obtained through false statements and false supporting documents.

60. It was further part of the scheme that on or about December 24, 2008, defendants AUSTIN and PAEK signed and caused to be signed the HUD-1 at the closing of 622 North Homan, knowing that the HUD-1 falsely stated that Buyer E was the purchaser and had provided the down

payment, when defendants AUSTIN and PAEK knew that defendant PAEK had signed in the name of Buyer E and defendant AUSTIN had provided the down payment.

61. It was further part of the scheme that defendant AUSTIN received proceeds of approximately \$122,577 from the mortgage loan, and used those funds to make the following payments, all of which were concealed from the lender: approximately \$67,000 to defendant PAEK; approximately \$12,000 to defendant MARIN; and approximately \$7,000 to Seller D.

62. It was further part of the scheme that defendant PAEK paid \$11,000 to Buyer E, knowing that the payment had been concealed from the lender.

4309 West Gladys Avenue, Chicago, Illinois

63. It was further part of the scheme that in approximately summer 2008, defendants AUSTIN and PAEK and Recruiter C recruited Buyer F to purchase 4309 West Gladys Avenue, Chicago, Illinois, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

64. It was further part of the scheme that defendants AUSTIN and PAEK caused defendant MARIN to prepare a loan application package for Buyer F to purchase 4309 West Gladys, which defendants AUSTIN, MARIN, and PAEK knew falsely represented that: (a) Buyer F intended to occupy the property as his primary residence; (b) the source of the down payment was Buyer F's checking/savings; (c) Buyer F's gross income was \$8,128 per month; and (d) the balance in Buyer F's bank account was \$46,307.

65. It was further part of the scheme that defendants AUSTIN, MARIN, and PAEK knowingly caused the loan application package for Buyer F's purchase of 4309 West Gladys Avenue

to be supported by the following false documents: (a) false Forms W-2 and pay stubs; (b) false Chase Bank statements for Buyer F; and (c) a false verification of employment.

66. It was further part of the scheme that defendants AUSTIN, MARIN, and PAEK caused the loan application package for Buyer F's purchase of 4309 West Gladys to be submitted to Village Capital & Investment, LLC, knowing that the loan application package contained false statements and false supporting documents.

67. It was further part of the scheme that on or about December 31, 2008, defendants AUSTIN, MARIN, and PAEK caused Village Capital & Investment, LLC to loan Buyer F approximately \$314,204 to purchase 4309 West Gladys, knowing that the loan had been obtained through false statements and false supporting documents.

68. It was further part of the scheme that defendant AUSTIN received proceeds from the mortgage loan of approximately \$157,552 and used the proceeds to make the following payments, all of which were concealed from the lender: approximately \$73,000 to defendant PAEK; and approximately \$19,000 to defendant MARIN.

69. It was further part of the scheme that defendant PAEK paid approximately \$45,000 to Buyer F and approximately \$5,000 to Recruiter C, knowing that the payments had been concealed from the lender.

6435 South Morgan Street, Chicago, Illinois

70. It was further part of the scheme that in or about late fall 2008, defendants TITUS and PETTIS recruited Seller E to sell 6435 South Morgan Street, Chicago, Illinois, for approximately \$160,000, knowing that they intended to cause to be represented to the lender that

the sales price was more than \$160,000 so that defendants AUSTIN, TITUS, PETTIS and others could receive proceeds from the mortgage loan.

71. It was further part of the scheme that defendants AUSTIN, TITUS, and PAEK recruited Buyer G to purchase 6435 South Morgan, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

72. It was further part of the scheme that defendants AUSTIN, TITUS, and PETTIS knowingly caused a loan application package to be prepared for a loan for Buyer G from United Wholesale Mortgage to purchase 6435 South Morgan, which defendants AUSTIN, TITUS, and PETTIS knew falsely represented that: (a) Buyer G had rental income of \$900; (b) Buyer G had an account at Citibank with a balance of \$47,729 and an account at Chase Bank with a balance of \$18,104; (c) Buyer G intended to occupy the residence as his primary residence; and (d) the source of the down payment was Buyer G's checking/savings account.

73. It was further part of the scheme that defendants AUSTIN and PETTIS knowingly caused the loan application package for Buyer G's purchase of 6435 South Morgan to be supported by the following false documents: (a) false bank statements for Buyer G; (b) false leases; and (c) a fake earnest money check.

74. It was further part of the scheme that defendants AUSTIN, PAEK, and PETTIS caused the loan application package for Buyer G's purchase of 6435 South Morgan to be submitted to United Wholesale Mortgage, knowing that the loan application package contained false statements and false supporting documents.

75. It was further part of the scheme that on or about July 6, 2009, defendants AUSTIN, PAEK, and PETTIS caused United Wholesale Mortgage to loan Buyer G approximately \$338,318

to purchase 6435 South Morgan, knowing that the loan had been obtained through false statements and false supporting documents.

76. It was further part of the scheme that defendant AUSTIN received proceeds of approximately \$158,365, and used the proceeds to make the following payments, all of which were concealed from the lender: approximately \$67,000 to PAEK, through Lighthouse Investment Group; and a total of approximately \$10,000 to defendants BATEAST and PETTIS.

2055 West James Street, Chicago, Illinois

77. It was further part of the scheme that defendants AUSTIN, PAEK, and THILL recruited defendant GAWLIK to sell 2055 West James Street, Chicago, Illinois, for approximately \$160,000, knowing that defendants AUSTIN, PAEK, THILL, and GAWLIK intended to cause to be represented to the lender that the sales price was more than \$160,000 so that defendants AUSTIN, PAEK, THILL and GAWLIK could receive proceeds of the mortgage loan.

78. It was further part of the scheme that defendant AUSTIN caused Buyer H to be recruited to purchase 2055 West James, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

79. It was further part of the scheme that defendants AUSTIN and PAEK and others caused the loan application package for Buyer H's purchase of 2055 West James to be submitted to Franklin First Financial Ltd., knowing that the loan application package falsely: (a) inflated the sales price of defendant GAWLIK's property at 2055 West James; and (b) stated that Buyer H's checking/savings account was the source of the down payment.

80. It was further part of the scheme that on or about January 7, 2010, defendants AUSTIN and PAEK caused Franklin First Financial Ltd. to loan Buyer H approximately \$343,650 to purchase 2055 West James, knowing that the loan had been obtained through false statements.

81. It was further part of the scheme that defendant AUSTIN received proceeds of approximately \$170,500 from the mortgage loan, and used the proceeds to make the following payments, all of which were concealed from the lender: approximately \$62,325 to Company A; approximately \$5,000 to Buyer H; and approximately \$35,000 to defendant PAEK's company, Lighthouse Investment Group.

5415 South Hoyne Avenue, Chicago, Illinois

82. It was further part of the scheme that defendant AUSTIN caused Buyer I to be recruited to purchase 5415 South Hoyne Avenue, Chicago, Illinois, knowing that the financing for the purchase of the property would be through a fraudulently obtained mortgage loan.

83. It was further part of the scheme that defendant AUSTIN knew that Buyer I used the identity of Victim A to obtain a mortgage loan to purchase 5415 South Hoyne.

84. It was further part of the scheme that defendant AUSTIN caused a fraudulent loan application to be prepared for Buyer I, knowing that the loan application package falsely represented: (a) the identity of Buyer I; (b) that Buyer I had paid earnest money of \$6,000; (c) Buyer I's employment; (d) that Buyer I's gross income was \$11,655 per month; and (e) that the source of the down payment was Buyer I's checking/savings.

85. It was further part of the scheme that defendants AUSTIN and TITUS caused the loan application package for Buyer I's purchase of 5415 South Hoyne to be submitted to RBS Citizens, NA, knowing that the loan application package contained false statements.

86. It was further part of the scheme that on or about April 6, 2011, defendants AUSTIN and TITUS attempted to cause RBS Citizens, NA to loan Buyer I approximately \$288,000 to purchase 5415 South Hoyne, knowing that they had attempted to obtain the loan through false statements.

87. It was further part of the scheme that defendants AUSTIN, MARIN, TITUS, BANKS, BATEAST, GAWLIK, BROWN, PAEK, PETTIS, and THILL and others concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence of the scheme, the purposes of the scheme, and the acts done in furtherance of the scheme.

88. On or about April 14, 2008, at Skokie, in the Northern District of Illinois, Eastern Division, and elsewhere,

KEITH AUSTIN,
WILSON TITUS, and
MICHAEL THILL,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate wire transfer processed through the Federal Reserve System of approximately \$316,639 from the account of CitiMortgage Inc. at Citibank to the account of IPJ Title Associates, LLC to fund a loan to Buyer A to purchase 7047 South Eggleston Avenue, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

1. Paragraphs 1(a) through 1(i) and 1(k) through 1(m) of Count One of this indictment are incorporated here.

2. At times material to this indictment, Chase Bank USA, NA and RBS Citizens, NA were lenders that funded mortgage loans, and were financial institutions whose deposits were insured by the Federal Deposit Insurance Corporation.

3. Beginning no later than in or about May 2007, and continuing until in or about January 2010, in the Northern District of Illinois, Eastern Division, and elsewhere,

KEITH AUSTIN,
WILSON TITUS,
JOSEPH BATEAST,
ROBERT BROWN, and
MARK PETTIS,

defendants herein, knowingly participated in a scheme to defraud and to obtain money and funds owned by and under the custody and control of a financial institution, by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, which scheme is further described below.

4. Paragraphs 4 through 18 and 87 of Count One of this indictment are incorporated here.

5. On or about April 30, 2007, at Hickory Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

KEITH AUSTIN,
JOSEPH BATEAST, and
MARK PETTIS,

defendants herein, knowingly executed and attempted to execute a scheme to defraud Chase Bank USA, NA, by submitting and causing to be submitted a loan application package containing

materially false information to Chase Bank USA, NA causing Chase Bank USA, NA, to issue a loan to Buyer A for approximately \$288,000 for Buyer A to purchase 4223 West Cullerton Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1344.

COUNT THREE

1. Paragraphs 1 through 3 of Count Two and Paragraphs 26 through 36 and 87 of Count One of this indictment are incorporated here.

2. On or about May 14, 2007, at Westchester, in the Northern District of Illinois, Eastern Division, and elsewhere,

KEITH AUSTIN,
WILSON TITUS, and
ROBERT BROWN,

defendants herein, knowingly executed and attempted to execute a scheme to defraud Chase Bank USA, NA by submitting and causing to be submitted a loan application package containing materially false information to Chase Bank USA, NA causing Chase Bank USA, NA to issue a loan to Buyer B for approximately \$332,500 for Buyer B to purchase of 4744 West West End Avenue, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1344.

COUNT FOUR

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 87 of Count One of this indictment are incorporated here.
2. On or about December 3, 2008, at Westchester, in the Northern District of Illinois,

Eastern Division, and elsewhere,

KEITH AUSTIN,
CESAR MARIN,
WILSON TITUS, and
CLYDE BANKS,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate wire transfer processed through the Federal Reserve System of approximately \$290,957.98 from the account of Countrywide Home Loans at JP Morgan Chase to the account of First American Title at First American Trust Company to fund a loan to Buyer D to purchase 7023 South Wentworth Avenue, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 87 of Count One of this indictment are incorporated here.
2. On or about December 24, 2008, at Westchester, in the Northern District of Illinois,

Eastern Division, and elsewhere,

KEITH AUSTIN,
CESAR MARIN, and
CONSTANCE PAEK,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate wire transfer processed through the Federal Reserve System of approximately \$365,669.43 from the account of Countrywide Home Loans at Countrywide Warehouse Lending to the account of First American Title at First American Trust Company to fund a loan to Buyer E to purchase 622 North Homan Avenue, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT SIX

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 87 of Count One of this indictment are incorporated here.
2. On or about December 31, 2008, at Westchester, in the Northern District of Illinois,

Eastern Division, and elsewhere,

KEITH AUSTIN and
CESAR MARIN,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate wire transfer processed through the Federal Reserve System of approximately \$311,746.89 from the account of Village Capital & Investment, LLC at National City Bank to First American Title Company at First American Trust Company to fund a loan to Buyer F to purchase 4309 West Gladys Avenue, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT SEVEN

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 87 of Count One of this indictment are incorporated here.
2. On or about July 7, 2009, at Westchester, in the Northern District of Illinois, Eastern

Division, and elsewhere,

KEITH AUSTIN, and
WILSON TITUS,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate wire transfer processed through the Federal Reserve System of approximately \$332,019.68 from the account of Countrywide Bank, a warehouse lending funding account, to First American Title Company at First American Trust Company to fund a loan to Buyer G to purchase 6435 South Morgan Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT EIGHT

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 87 of Count One of this indictment are incorporated here.
2. On or about January 7, 2010, at Westchester, in the Northern District of Illinois,

Eastern Division, and elsewhere,

KEITH AUSTIN and
STEVEN GAWLIK,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate wire transfer processed through the Federal Reserve System of approximately \$334,851.55 from the account of Franklin First Financial Ltd. at National City Bank to the account of Alliance Title Corporation at Bank of America to fund a loan to Buyer H to purchase 2055 West James Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1343.

COUNT NINE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. Paragraphs 1 through 3 of Count Two and Paragraphs 82 through 87 of Count One of this indictment are incorporated here.
2. On or about April 5, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KEITH AUSTIN and
WILSON TITUS,

defendants herein, knowingly executed and attempted to execute a scheme to defraud RBS Citizens, NA by submitting and causing to be submitted a loan application package containing materially false information to RBS Citizens, NA to cause RBS Citizens, NA to issue a loan to Buyer I for approximately \$332,500 for Buyer I to purchase 5415 South Hoyne Street, Chicago, Illinois;

In violation of Title 18, United States Code, Section 1344.

COUNT TEN

The SPECIAL AUGUST 2012 GRAND JURY further charges:

On or about April 5, 2011, at Westchester, in the Northern District of Illinois, and elsewhere,

KEITH AUSTIN,

defendant herein, did knowingly transfer, possess and use, without lawful authority, a means of identification of another person, namely, the social security number of Victim A, during and in relation to the offense of wire fraud, in violation of Title 18, United States Code, Section 1344, as described in Count Nine of this indictment;

In violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

COUNT ELEVEN

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. At times material to the indictment:
 - a. A federal grand jury in the Northern District of Illinois was investigating defendants KEITH AUSTIN, CESAR MARIN, and MARK PETTIS, as well as Constance Paek and others for having fraudulently obtained mortgage loans from lenders in order to share the proceeds of the loans with themselves and others. Special Agents with the Federal Bureau of Investigation and Special Agents with the United States Department of Housing and Urban Development, Office of Inspector General, were assisting with the grand jury investigation.
 - b. On or about May 26, 2012, a grand jury subpoena was served on Constance Paek seeking, among other things, documents relating to mortgage loans involving Buyer D.
 - c. On or about June 19, 2012, a grand jury subpoena was served on defendant MARIN's company, Marin & Associates, Ltd., seeking, among other things, all documents relating to any work performed by Marin & Associates or Caesar [sic] Marin for defendant AUSTIN or AUSTIN's company, Icy Investments, including but not limited to contracts, reports, appraisals, invoices, letters, emails and faxes.
 - d. On or about July 18, 2012, a grand jury subpoena was served on Icy Investments, Inc. seeking, among other things: (a) all documents relating to all loans made by Icy Investments, including but limited to contracts, agreements, promissory notes, invoices, receipts, letters, emails, faxes, checks and money orders; (b) all documents relating to defendant MARIN or Marin & Associates, including but not limited to contracts, reports, appraisals, invoices, letters, emails, faxes, payments, checks and money orders; and (c) all documents relating to Constance Paek

or her company Lighthouse Investment Group, including but not limited to verifications of employment, contracts, reports, appraisals, invoices, letters, emails, faxes, payments, checks and money orders.

2. Beginning in or about April 2012 and continuing to on or about October 18, 2012, in the Northern District of Illinois, Eastern Division, and elsewhere,

KEITH AUSTIN,
CESAR MARIN, and
MARK PETTIS,

defendants herein, attempted to corruptly obstruct, influence and impede an official proceeding, namely, a federal grand jury investigation, by:

(a) defendants AUSTIN, MARIN, and PETTIS having prepared and caused to be prepared and, on or about July 3, 2012, having provided and caused to be provided to the United States Attorney's Office, documents entitled "Contractor Agreement" dated January 12, 2007, "Contractor Agreement" dated February 20, 2007, "Contractor Agreement" dated April 6, 2007, and "Contractor Agreement" dated February 1, 2011, that falsely represented that Kesha & Icy Investments, Inc. or Icy Investments, Inc. paid Marin & Associates \$100 per day for servicing "Real Property";

(b) defendants AUSTIN and PETTIS having prepared and caused to be prepared and, on or about July 26, 2012, having provided and caused to be provided to Constance Paek, with the understanding that she would provide them in response to a grand jury subpoena, a document entitled "Joint Venture Agreement for Residential Transactions" that falsely represented that defendant AUSTIN of Kesha & Icy Investments had formed on February 5, 2007 a joint venture for the purpose of the procurement and/or sale of residential and commercial properties; and

(c) defendants AUSTIN and PETTIS having prepared and caused to be prepared and, on or about October 12, 2012, having provided and caused to be provided to the United States Attorney's Office a document entitled "Contractor Agreement" dated February 1, 2011, that falsely represented that Kesha & Icy Investments, Inc. or Icy Investments, Inc. paid Marin & Associates \$100 per day for servicing "Real Property," and a document entitled "Loan Agreement" that falsely represented that as of March 1, 2011, Victim A had promised to pay \$39,000 to Icy Investments;

In violation of Title 18, United States Code, Sections 1512(c)(2) and 2.

FORFEITURE ALLEGATION

The SPECIAL AUGUST 2012 GRAND JURY alleges:

1. The allegations in Counts One through Nine of this indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2), and Title 28, United States Code, Section 2461(c).

2. As a result of their violations of Title 18, United States Code, Sections 1343 and 1344, as alleged in this indictment,

KEITH AUSTIN,
CESAR MARIN,
WILSON TITUS,
CLYDE BANKS, and
JOSEPH BATEAST,

defendants herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2), and Title 28 United States Code, Section 2461(c), any and all right, title, and interest they may have in any property constituting, and derived from, proceeds they obtained directly or indirectly as the result of such violations.

3. The interest of the defendants subject to forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2), and Title 28, United States Code, Section 2461(c), includes, but is not limited to: (a) the sum of at least approximately \$8,058,768; (b) \$6,800, obtained on or about October 18, 2012 during the execution of a search warrant at defendant AUSTIN's home; and (c) a 2007 Lexus LS460 sedan bearing vehicle identification number JTHBL46F775022513.

4. If any of the forfeitable property described above, as a result of any act or omission by the defendants:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1);

All pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2), and Title 28 United States Code, Section 2461(c).

A TRUE BILL

FOREPERSON

UNITED STATES ATTORNEY