

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) No.
)
) Violation: Title 18, United States Code,
) Section 1343
)
) **UNDER SEAL**

COUNT ONE

The SPECIAL JULY 2013 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant GEORGE KOUVELIS owned Residential Enterprises, LLC, through which defendant KOUVELIS purchased and sold residential properties located in Chicago, Illinois.

b. Defendant KARIM DURE was an attorney licensed to practice law in the State of Illinois with an office in Evanston, Illinois.

c. DAS Acquisition Company LLC was a lender that made loans secured by mortgages.

d. Lenders required applicants for mortgage loans to provide truthful information, including truthful information about the sales price of the property, about any payments made to the applicant for purchasing the property, and about the applicant's financial condition, assets, liabilities, and source of down payment, which information was material to lenders' approval, terms, and funding of loans.

e. Lenders sold 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 real estate contracts, HUD-1 settlement statements, loan applications, and other supporting documents, including information about the sale price of the property, about any payments made to the applicant for purchasing the property, and about the applicant's financial condition, assets, liabilities, and source of down payment, was material to the successors' decision to purchase mortgage loans.

2. Beginning in or about November 2008, and continuing until in or about March 2009, in the Northern District of Illinois, Eastern Division, and elsewhere,

GEORGE KOUVELIS and
KARIM DURE,

defendants herein, devised, intended to devise, and participated in a scheme to defraud DAS Acquisition Company LLC and its successors and to obtain money and property from DAS Acquisition Company LLC by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

3. It was part of the scheme that defendants GEORGE KOUVELIS and KARIM DURE, and others, caused Buyer A to obtain two mortgage loans in a total amount of approximately \$521,250 from DAS Acquisition Company LLC by making and causing to be made materially false representations in documents submitted to DAS Acquisition Company LLC, including real estate contracts, loan applications, and HUD-1 settlement statements, concerning, among other things, the sales prices of the properties, money paid

to Buyer A for purchasing the properties, and Buyer A's assets, liabilities, and source of down payment, and for the purpose of executing the scheme caused interstate wire transmissions.

4. It was further part of the scheme that defendant GEORGE KOUVELIS sold properties located at 5804 S. Princeton Avenue, Chicago, Illinois, and 5563 S. Shields Avenue, Chicago, Illinois, to Buyer A at inflated sales prices.

5. It was further part of the scheme that defendant GEORGE KOUVELIS caused to be prepared and submitted to DAS Acquisition Company LLC real estate sales contracts that defendant KOUVELIS knew contained false and fraudulent information, including inflated sale prices of the 5804 S. Princeton and 5563 S. Shields properties.

6. It was further part of the scheme that defendant GEORGE KOUVELIS caused to be prepared and submitted to DAS Acquisition Company LLC HUD-1 settlement statements that defendant KOUVELIS knew contained false and fraudulent information, including false and fraudulent information about payments to Buyer A and about the true source of Buyer A's down payments.

7. It was further part of the scheme that defendant GEORGE KOUVELIS caused Individual A to provide funds that defendant KOUVELIS knew would be falsely represented to DAS Acquisition Company LLC as Buyer A's down payments, and defendant KOUVELIS knowingly caused these funds to be falsely represented to DAS Acquisition Company LLC as Buyer A's down payments.

8. It was further part of the scheme that after the closings, defendant GEORGE

KOUVELIS paid and caused to be paid individuals, including Individual A, for providing money that defendant KOUVELIS knew was falsely represented to DAS Acquisition Company LLC as Buyer A's down payments.

9. It was further part of the scheme that defendant GEORGE KOUVELIS paid Buyer A for purchasing the 5804 S. Princeton and 5563 S. Shields properties, which payments defendant KOUVELIS knew were concealed from DAS Acquisition Company LLC.

10. It was further part of the scheme that defendant GEORGE KOUVELIS fraudulently obtained mortgage loan proceeds by causing materially false closing documents to be prepared that concealed from DAS Acquisition Company LLC that Buyer A was being paid to purchase properties and concealed that funds represented as Buyer A's down payments were provided by another individual, that the purchase prices were inflated, and that, therefore, DAS Acquisition Company LLC was financing all or a greater portion of the transactions than represented for a buyer who was contributing little or no equity.

11. It was further part of the scheme that defendant KARIM DURE represented Buyer A for Buyer A's purchases of the 5804 S. Princeton and 5563 S. Shields properties, knowing that Buyer A had qualified for mortgage loans to purchase those properties based on false information submitted to DAS Acquisition Company LLC.

12. It was further part of the scheme that defendant KARIM DURE knew that Buyer A submitted a will to DAS Acquisition Company LLC purporting to show that

Buyer A received \$200,000 after his grandfather's death, when defendant DURE knew that the will was fraudulent.

13. It was further part of the scheme that defendant KARIM DURE submitted and caused to be submitted to DAS Acquisition Company LLC a letter verifying that defendant DURE was the executor of Buyer A's grandfather's estate, and that Buyer A received \$200,000 from that estate, when defendant DURE knew that information was false.

14. It was further part of the scheme that defendant GEORGE KOUVELIS paid Nicholas Burge for fraudulently qualifying Buyer A for mortgage loans to purchase properties from Residential Enterprises, LLC, knowing that the payments were concealed from DAS Acquisition Company LLC.

15. It was further part of the scheme that defendants GEORGE KOUVELIS and KARIM DURE did misrepresent, conceal, and hide, and caused to be misrepresented, concealed, and hidden, acts done in furtherance of the scheme and the purpose of those acts.

16. On or about January 16, 2009, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GEORGE KOUVELIS and
KARIM DURE,

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 in New Jersey in the amount of approximately \$255,390 from a DAS Acquisition Company LLC account at Midwest Bank to an IPJ Title Associates account at J.P. Morgan Chase Bank, which funds represented the proceeds of a mortgage loan from DAS Acquisition Company LLC to finance Buyer A's purchase of 5804 S. Princeton Avenue, Chicago, Illinois;

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

COUNT TWO

The SPECIAL JULY 2013 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 16 of Count One of this indictment are incorporated here.
2. On or about February 2, 2009, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GEORGE KOUVELIS and
KARIM DURE,

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 in New Jersey in the amount of approximately \$236,913 from a DAS Acquisition Company LLC account at Jefferson Bank to an IPJ Title Associates account at J.P. Morgan Chase Bank, which funds represented the proceeds of a mortgage loan from DAS Acquisition Company LLC to finance Buyer A's purchase of 5563 S. Shields Avenue, Chicago, Illinois;

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

FORFEITURE ALLEGATION

The SPECIAL JULY 2013 GRAND JURY further alleges:

1. The allegations of Counts One and Two are incorporated here for the purpose of alleging forfeiture to the United States pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

2. As a result of the violations as alleged in Counts One and Two of the foregoing indictment,

GEORGE KOUVELIS and
KARIM DURE,

defendants herein, shall forfeit to the United States any and all right, title, and interest they may have in any property, real and personal, which constitutes and is derived from proceeds traceable to the offenses charged in Counts One and Two.

3. The interests of defendants subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) as incorporated by Title 28, United States Code, Section 2461(c), include but are not limited to approximately \$521,250.

4. If any of the forfeitable property described above, as a result of any act or omission by 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 pursuant to the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c);

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

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY