



accounts receivable. Between November 15, 2005, and January 16, 2007, CWS and the bank entered into several amendments to the financing agreement, which raised the maximum borrowing limit to \$20 million.

f. Under the terms of the financing agreement, CWS could only withdraw from the line of credit up to (i) 90% of CWS' insured eligible accounts receivable and (ii) up to 80% of CWS' uninsured eligible accounts receivable. CWS requested advances on this line of credit through the submission of Borrowing Base Certificates (hereinafter "BBCs"), which consisted of "collateral report certificates" and "aged receivable" reports. The BBCs submitted by CWS to the bank broke down the accounts receivable into categories, and the bank relied upon the BBC's to calculate the maximum borrowing base and the availability of funds for withdrawal by CWS from the line of credit.

2. Beginning in or about March 2005 and continuing until in or about September 2007, in Wheeling and Lake Forest, Illinois, and elsewhere in the Northern District of Illinois,

KEVIN M. GORE,

defendant herein, and Noel Yuan, knowingly executed and attempted to execute a scheme to defraud the bank, and to obtain money and other property owned by, and under the custody and control of the bank, by means of materially false or fraudulent pretenses, representations, and promises.

3. It was part of the scheme that on several occasions between March 2005 and July 2007, Noel Yuan knowingly submitted to the bank BBCs that falsely inflated

the amount of CWS' accounts receivable for the purpose of enabling CWS to obtain more funds from the line of credit than would otherwise be permitted by the terms of its financing agreement with the bank, ultimately causing a loss to the bank of at least \$17 million.

4. It was further part of the scheme that defendant GORE prepared and caused to be prepared the false BBCs, and that Noel Yuan signed them knowing them to be false. Defendant GORE then submitted, and caused to be submitted, the BBCs to the bank, usually by electronic mail.

5. It was further part of the scheme that on or about July 21, 2006, defendant GORE submitted a false BBC dated July 21, 2006, to the bank via electronic mail. Attached to the BBC was a document entitled "Computer World Solution, Inc. Aged Receivables as of Jul 21, 2006" which purported to show CWS' receivables as of July 21, 2006. The BBC and aged receivables report together showed receivables due from Fry's Electronics in the amount of \$1,215,360. In fact, as defendant GORE well knew, Fry's Electronics never purchased merchandise from CWS and did not owe CWS any money.

6. It was further part of the scheme that the July 21, 2006, BBC and attached aged receivables report together showed receivables due from Insight Enterprises, Inc. in the amount of \$2,303,110. In fact, as defendant GORE well knew, Insight Enterprises never purchased more than \$140,000 in merchandise from CWS.

7. It was further part of the scheme that the July 21, 2006, BBC and attached aged receivables report together showed receivables due from Target.com in

the amount of \$1,665,920. In fact, as defendant GORE well knew, Target.com never purchased more than \$60,000 in merchandise from CWS.

8. It was further part of the scheme that on or about October 30, 2006, defendant GORE submitted a false BBC dated October 27, 2006, to the bank via electronic mail. Attached to the BBC was a document entitled "Computer World Solution, Inc. Aged Receivables as of Oct 23, 2006" which purported to show CWS' receivables as of October 23, 2006. The BBC and aged receivables report together showed receivables due from Fry's Electronics in the amount of \$2,177,760. In fact, as defendant GORE well knew, Fry's Electronics never purchased merchandise from CWS and did not owe CWS any money.

9. It was further part of the scheme that the October 27, 2006, BBC and attached aged receivables report together showed receivables due from Insight Enterprises, Inc. in the amount of \$2,577,770. In fact, as defendant GORE well knew, Insight Enterprises never purchased more than \$140,000 in merchandise from CWS.

10. It was further part of the scheme that the October 27, 2006, BBC and attached aged receivables report together showed receivables due from Target.com in the amount of \$2,644,320. In fact, as defendant GORE well knew, Target.com never purchased more than \$60,000 in merchandise from CWS.

11. It was further part of the scheme that defendant GORE 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.

12. On or about July 21, 2006, at Wheeling and Lake Forest, Illinois, in the Northern District of Illinois,

KEVIN M. GORE,

defendant herein, for the purpose of executing and attempting to execute the above described scheme, knowingly submitted and caused to be submitted to Fifth Third Bank a BBC, consisting of a "Collateral Report Certificate" dated July 21, 2006, which falsely inflated CWS' accounts receivable in order to enable CWS to maintain the line of credit at a level in excess of that allowable under its financing agreement with the bank;

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

**COUNT TWO**

The SPECIAL FEBRUARY 2008-1 Grand Jury further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about October 30, 2006, at Wheeling and Lake Forest, Illinois, in the Northern District of Illinois,

KEVIN M. GORE,

defendant herein, for the purpose of executing and attempting to execute the above described scheme, knowingly submitted and caused to be submitted to Fifth Third Bank a BBC, consisting of a "Collateral Report Certificate" dated October 27, 2006, which falsely inflated CWS' accounts receivable in order to enable CWS to maintain the line of credit at a level in excess of that allowable under its financing agreement with the bank;

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

**COUNT THREE**

The SPECIAL FEBRUARY 2008-1 Grand Jury further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are hereby realleged and incorporated herein as if fully set forth.

2. On or about July 9, 2007, at Wheeling and Lake Forest, Illinois, in the Northern District of Illinois,

KEVIN M. GORE,

defendant herein, for the purpose of executing and attempting to execute the above described scheme, knowingly submitted and caused to be submitted to Fifth Third Bank auditors documents that purported to be statements of a CWS account at Citibank for the months February, March and April 2007, and the documents were false and fraudulent in that they showed wire transfer credits to the account that never occurred and which overstated the amount of CWS's business income;

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

## FORFEITURE ALLEGATION

The SPECIAL FEBRUARY 2008-1 Grand Jury further alleges:

1. The allegations in Counts One through Three of this indictment are hereby realleged and incorporated herein as if fully set forth for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A).

2. As a result of his violations of Title 18, United States Code, Section 1344, as alleged in Counts One through Three, defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any and all right, title, and interest he may have in any property constituting, and derived from, proceeds he obtained directly or indirectly as the result of such violations.

3. The interests of defendant subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A), include the sum of approximately \$17,000,000.

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

- (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) and Title 28, United States Code, Section 2461(c);

All pursuant to Title 18, United States Code, Section 982(a)(2)(A).

A TRUE BILL:

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FOREPERSON

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UNITED STATES ATTORNEY