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**TWO MEN INDICTED IN ALLEGED \$56 MILLION BANK FRAUD
INVOLVING TWO RESIDENTIAL DEVELOPMENTS IN DOWNTOWN LOOP**

CHICAGO — Two men who purported to purchase and develop two Loop residential buildings are facing federal fraud charges in connection with financial transactions that allegedly caused the former CIB Bank in west suburban Hillside to lose approximately \$56 million. The defendants, **Romel Esmail** and **Bassam Haj Yousif**, allegedly operated various businesses, including a real estate investment venture, a construction company, a land trust and holding companies, and defaulted on bank loans relating to projects they purportedly undertook at 6 North Michigan Ave., and 59 East Van Buren St. Both men allegedly used at least \$3.6 million in loan proceeds for their own benefit, including purchasing real estate, as well as a vehicle and jewelry for Esmail and to fund Esmail's investment account. Neither defendant has any connection to the current ownership or development of the two Loop properties.

Esmail, 50, formerly of Chicago, and Yousif, 42, of Oak Park, were each charged with two counts of bank fraud and three counts of making false statements in bank loan documents in a federal grand jury indictment that was returned under seal in December. The indictment was unsealed Friday in an effort to help locate Esmail who is a fugitive, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Nancy Grinnell, Special Agent-in-Charge of the

Chicago Office of the Federal Deposit Insurance Corporation's Office of Inspector General. The Chicago Offices of the Federal Bureau of Investigation and the Internal Revenue Service Criminal Investigation Division assisted in the investigation.

Yousif is expected to be arraigned at a later date in U.S. District Court. The indictment also seeks forfeiture of \$56 million.

According to the indictment, between October 1999 and September 2003, Esmail and Yousif allegedly caused and attempted to cause CIB Bank to lend them money to purchase and develop property by falsely representing the sales price and their cash equity positions, and then to lend them additional funds by falsely representing that the money was being used to pay development expenses.

In 1999, the defendants allegedly applied for a commercial loan of approximately \$13 million to purchase and develop 6 North Michigan, falsely representing that they were providing at least \$4,262,500 of the purported \$17 million purchase price, while knowing that they actually had an agreement to purchase the building for approximately \$13 million and provided no cash equity of their own. As part of the scheme, they allegedly submitted to CIB Bank a fraudulent purchase agreement stating that, through their business, Global Real Estate Investors, LLC, they were buying the building for \$17,060,000 from a fictitious seller.

Beginning in 2000, after obtaining the initial \$13 million loan, Esmail and Yousif caused CIB Bank to extend additional loans totaling approximately \$8.5 million to pay for demolition, clean up and construction expenses related to 6 North Michigan. The indictment alleges the defendants used at least \$3.6 million of those funds for their own benefit.

Also, in 2000, Esmail and Yousif applied to CIB Bank for an \$8 million commercial loan to purchase and develop 59 East Van Buren through two other companies they controlled — Transworld

Holdings LLC and Deutsche Investment Holding LLC — allegedly falsely representing that they were providing at least \$6,392,000 cash equity towards a purported \$13 million purchase price. As part of the fraud scheme, they allegedly submitted to the bank false closing statements purporting to show that they had purchased the building for approximately \$13 million.

In 2001, the indictment alleges that Esmail and Yousif applied for and obtained a \$44 million construction loan from CIB Bank to fund the renovation and conversion of 6 North Michigan into condominiums, as well as to payoff the original acquisition loan and the two subsequent demolition and clean up loans. As part of the scheme, both defendants allegedly provided the bank with false documents purporting to show that certain construction work had been done, supporting disbursement of approximately \$7.9 million, knowing that not all of the work had been performed.

The government is being represented by Assistant U.S. Attorney Patrick King.

Each count of bank fraud and making false statements carries a maximum penalty of 30 years in prison and a \$1 million fine, or the Court may impose an alternative fine totaling twice the gain to any defendant or twice the loss to any victim, whichever is greater. If convicted, the Court would determine a reasonable sentence to impose under the advisory United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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