

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	
)	No.
WANDA RIVERA-BURTON,)	
BRENDA TIBBS,)	
LYNNETTE JOHNSON,)	
VIKTOR BLANKS,)	
DINA DUNN and)	Violations: Title 18, United States Code,
NATHANIEL MAXWELL)	Sections 1341, 1343 and 1344

COUNT ONE

The SPECIAL MARCH 2010 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant WANDA RIVERA-BURTON was a licensed realtor, owned Options-R-Us Realty, and co-owned B&W Investments and Property Management, Inc. (“B&W Investments”) with defendant BRENDA TIBBS.

b. Defendant BRENDA TIBBS was a licensed loan officer and co-owner of B & W Investments with defendant RIVERA-BURTON.

c. Defendant LYNNETTE JOHNSON was a licensed realtor employed by Options-R-Us Realty and associated with World Investment and Management (“World Investment”).

d. Individual A was a licensed attorney in the State of Illinois.

e. Individual B was an employee of JP Morgan Chase Bank (“Chase Bank”).

f. Individual C was a loan originator and assistant branch manager of a branch of Company A which was a mortgage brokerage company.

g. Individual D was the owner of Company D which was in the business of

renting and managing residential properties.

h. Fremont Investment & Loan (“Fremont”) was a financial institution the deposits of which were insured by the Federal Depository Insurance Corporation (“FDIC”).

i. Accredited Home Lenders (“Accredited”) and Fremont (collectively, “lenders”) issued mortgage loans.

j. Lenders required applicants for mortgage loans to provide truthful information including information regarding the applicant’s name, date of birth, employment, income, assets, liabilities, financial condition, real estate owned, rental income received, contribution to the purchase price, payment of earnest money, source of funds used for down payments and earnest money, sales prices, condition and value of the property, and intention to occupy the property purchased, which information was material to the approval, terms and funding of the mortgage loans.

k. Lenders sold the mortgage loans to other lenders and institutions (the “successors”). 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, contribution to the purchase price, payment of earnest money, source of funds used for down payments and earnest money, sales prices, condition and value of the property, intention to occupy the property purchased, and payment history was material to successors’ decision to purchase the mortgage loans.

2. Beginning in or about October 2004 and continuing through in or about early 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON,
BRENDA TIBBS,
LYNNETTE JOHNSON,
VIKTOR BLANKS,
DINA DUNN and
NATHANIEL MAXWELL,

defendants herein, together with Individuals A, B, C, and D, and others known and unknown to the grand jury, devised, intended to devise, and participated in a scheme to defraud financial institutions and to obtain money and property owned by and under the custody and control of financial institutions. More specifically, the defendants schemed to defraud lenders and successors and to fraudulently obtain mortgage loan proceeds from various financial institutions, including Fremont Investment and Loans (hereinafter referred to collectively as “lender”), 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 RIVERA-BURTON, TIBBS, JOHNSON, BLANKS, DUNN, and MAXWELL and Individuals A, B, C, and D, among others, fraudulently obtained approximately 42 mortgage loans, from which the defendants obtained approximately \$15 million in mortgage loan proceeds from mortgage lenders by making materially false statements and material omissions in loan applications and supporting documents.

4. It was further part of the scheme that defendants RIVERA-BURTON, TIBBS, JOHNSON, BLANKS and DUNN and Individuals A, C, and D purchased and caused to be purchased residences, individually or through nominees, including defendants RIVERA-BURTON, BLANKS, DUNN, and MAXWELL, among others.

5. It was further part of the scheme that defendant RIVERA-BURTON, TIBBS, JOHNSON and BLANKS, and Individual D, among others solicited new home builders as well as other sellers, including DUNN to sell their newly-constructed and existing residences to nominees

at inflated prices.

6. It was further part of the scheme that defendants RIVERA-BURTON and TIBBS caused the new home builders and other sellers to agree to pay defendants RIVERA-BURTON and TIBBS finders fees and commissions upon the sale of the properties, knowing that a portion of those funds were to be paid to the nominees to complete the purchases of the newly-constructed residences.

7. It was further part of the scheme that the new home builders, along with other sellers, agreed to inflate the sale prices of their residences so that defendants RIVERA-BURTON and TIBBS and Individual D could receive real estate commissions or finders fees.

8. It was further part of the scheme that defendants RIVERA-BURTON, TIBBS, JOHNSON, and BLANKS, and Individual D, among others, recruited nominees to buy the residences with promises that the nominees would not have money down and could receive cash back at closing; that defendants BURTON-RIVERA, TIBBS, and JOHNSON, and Individuals C and D, or their agent would rent the properties; that the nominees would not have to make any mortgage payments in connection with the residences; and that the nominees' names would be removed from the title after approximately twelve months.

9. It was further part of the scheme that defendants RIVERA-BURTON and TIBBS, and Individuals A and D, among others knowingly prepared and caused to be prepared fraudulent mortgage loan application packages on behalf of the nominees buying the residences, which packages contained fraudulent loan applications with materially false information and omissions and false and misleading supporting documents, including, material false statements regarding the nominees' employment, income, assets, liabilities and intention to occupy the premises as a primary

residence, and omitting to disclose that nominees had, in a short span of time, purchased multiple residences and had obtained mortgages for these residences from other lenders.

10. It was further part of the scheme that defendants RIVERA-BURTON, TIBBS, and JOHNSON, and Individuals A, B, C, and D, among others, knowingly created and caused to be created false verifications of employment (“VOEs”), false verifications of rent (“VORs”), false occupancy affidavits, and false leases to support the false statements in the loan applications regarding the financial status of the nominees including the nominee’s employment and income, and false verifications of deposits (“VODs”) to support the false material representations in the loan applications regarding the amount of money and source of the deposits in the nominees’ bank accounts.

11. It was further part of the scheme that defendants RIVERA-BURTON and TIBBS, and Individuals A and D, among others knowingly submitted and caused to be submitted loan application packages to mortgage lenders containing, among other things, documents that failed to either disclose that commissions, fees or finders fees were being paid to defendants RIVERA-BURTON, and TIBBS, and to Individuals A, and D, or that nominees were being paid with proceeds from the real estate transactions, well-knowing that false statements and omissions in these closing documents were material to the mortgage lenders’ decisions to issue mortgage loans.

12. It was further part of the scheme that defendants RIVERA-BURTON, TIBBS, JOHNSON, BLANKS, DUNN, and MAXWELL, and Individuals A, B, C and D, among others, knowingly submitted and caused to be submitted loan application packages to lenders containing, among other things, the false documents referred to above, including, the false loan applications, VOEs, VODs, VORs and, occupancy affidavits, and leases, well-knowing the false statements in

these documents were material to the lenders' decisions to issue mortgage loans to the nominees.

13. It was further part of the scheme that defendants RIVERA-BURTON and TIBBS, and Individual D paid nominees including defendants BLANKS, DUNN, and MAXWELL, among others, using the proceeds from the real estate transactions.

14. It was further part of the scheme that Individual A purported to represent the nominee buyers at the real estate closings knowing that the buyers were nominees, that the closing and mortgage documents contained material false representations and material omissions, including occupancy affidavits which falsely represented that the nominees were going to live in the residences, and advised nominees to sign the false and fraudulent documents.

15. It was further part of the scheme that defendants RIVERA-BURTON and TIBBS provided and caused to be provided down payments, earnest money checks, and funds used by the nominees for the real estate deals which falsely represented the nominees as the source of the funds, when in fact, the nominees had not contributed any funds to the purchase of the residence. These false representations about the source of the funds were material to the lenders in that they created the false impression that the nominees were financially committed to the transaction.

16. It was further part of the scheme that defendants RIVERA-BURTON, TIBBS, JOHNSON, BLANKS, DUNN, and MAXWELL, and Individuals A, B, C and D, among others, received the proceeds of the fraudulently obtained mortgage loans and used the loan proceeds to enrich themselves and to buy and sell additional residences.

17. It was further part of the scheme that defendants RIVERA-BURTON, TIBBS and others, controlled the residences, without making sufficient mortgage payments as required by the lenders, thus causing the loans obtained by the nominee buyers to go into default and causing a loss

of approximately \$4.5 million.

18. It was further part of the scheme that defendants RIVERA-BURTON, TIBBS, JOHNSON, BLANKS, DUNN, and MAXWELL, and Individuals A, B, C and D, among others, known and unknown to the grand jury 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.

19. On or about February 16, 2005, at Palos Heights, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
BRENDA TIBBS,

defendants herein, along with Individual A, knowingly executed and attempted to execute the above-described scheme by causing Fremont Investment and Loan, a financial institution insured by the FDIC, to fund a mortgage loan in the amount of approximately \$330,000 to Buyer A for the purchase of a residence located at 18529 Walnut Avenue, Country Club Hills, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT TWO

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment is hereby realleged and incorporated by reference as if fully restated herein.

2. On or about June 16, 2005, at Palos Heights, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON,
BRENDA TIBBS and
DINA DUNN,

defendants herein, along with Individual A, knowingly executed and attempted to execute the above-described scheme by causing Fremont Investment and Loan, a financial institution insured by the FDIC, to purchase a mortgage loan in the amount of approximately \$270,000 to defendant DUNN for the purchase of a residence located at 912 West 86th Place, Chicago Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT THREE

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment is hereby realleged and incorporated by reference as if fully restated herein.
2. On or about September 16, 2005, at Orland Park , in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
LYNNETTE JOHNSON,

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Fremont Investment and Loan, a financial institution insured by the FDIC, to fund a mortgage loan in the amount of approximately \$375,000 to Buyer B for the purchase of a residence located at 18571 Walnut Avenue, Country Club Hills, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FOUR

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment is hereby realleged and incorporated by reference as if fully restated herein.

2. On or about January 25, 2006, at Hickory Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
VIKTOR BLANKS,

defendants herein, along with Individual A, knowingly executed and attempted to execute the above-described scheme by causing Fremont Investment and Loan, a financial institution insured by the FDIC, to fund a mortgage loan in the amount of approximately \$285,000 to Buyer C for the purchase of a residence located at 9103 South Ellis, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FIVE

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment is hereby realleged and incorporated by reference as if fully restated herein.
2. On or about September 12, 2006, at Oak Forest, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
LYNNETTE JOHNSON,

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Fremont Investment and Loan, a financial institution insured by the FDIC, to fund a mortgage loan in the amount of approximately \$495,000 to defendant RIVERA-BURTON for the purchase of a residence located at 4826 South Summerhill Avenue, Country Club Hills, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT SIX

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment is hereby realleged and incorporated by reference as if fully restated herein.

2. On or about September 28, 2006, at Orland Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
NATHANIEL MAXWELL,

defendants herein, along with Individual B, knowingly executed and attempted to execute the above-described scheme by causing Fremont Investment and Loan, a financial institution insured by the FDIC, to fund a mortgage loan in the amount of approximately \$540,000 to defendant MAXWELL for the purchase of a residence located at 4854 Castle Dargan Drive, Country Club Hills, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT SEVEN

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment is hereby realleged and incorporated by reference as if fully restated herein.
2. On or about April 11, 2006, at Palos Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
LYNNETTE JOHNSON,

defendants herein, along with Individual A, knowingly executed and attempted to execute the above-described scheme by causing Fremont Investment and Loan, a financial institution insured by the FDIC, to fund a mortgage loan in the amount of approximately \$300,000 to Buyer D for the purchase of a residence located at 1296 South Creek Drive, Manteno, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT EIGHT

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are hereby realleged and incorporated by reference as if fully restated herein.

2. Beginning in or about January 2005 and continuing through in or about January 2008, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
LYNNETTE JOHNSON,

defendants herein, along with Individuals A, C, and D, and others known and unknown to the grand jury, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain money and property, by materially false representations, pretenses and promises and material omissions, from lenders engaged in the business of issuing mortgage loans for the purchase of residential property, including Accredited Home Lenders, Inc., and in furtherance thereof, used the United States mails, and other interstate carriers, and interstate wire transmissions, which scheme affected a financial institution and is further described below.

3. The allegations in paragraphs 3 through 18 of Count One are hereby realleged and incorporated herein by reference.

4. On or about January 17, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON,

defendant herein, along with Individuals A, C, and D, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain wirings, signs, and signals, namely, a transfer of funds in the amount of

approximately \$292,671 from a Deutsche Bank, New York, New York, account held in the name of Accredited Home Lenders, Inc., to Archer Bank in Chicago, Illinois, for credit to the account of Condor Title, which transfer represented the proceeds of a mortgage loan issued to Buyer E for the purchase of a residence located at 24472 Potomac Court, Crete, Illinois;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT NINE

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1-3 of Count Eight of this indictment are hereby realleged and incorporated by reference as if fully restated herein.

2. On or about January 17, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON,

defendant herein, along with Individuals A, C, and D, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain wirings, signs, and signals, namely, a transfer of funds in the amount of approximately \$72,618.50 from a Deutsche Bank, New York, New York, account held in the name of Accredited Home Lenders, Inc., to Archer Bank in Chicago, Illinois, for credit to the account of Condor Title, which transfer represented the proceeds of a mortgage loan issued to Buyer E for the purchase of a residence located at 24472 Potomac Court, Crete, Illinois;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TEN

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 3 of Count Eight of this indictment are hereby realleged and incorporated by reference as if fully restated herein.

2. On or about September 12, 2006, at Oak Forest, in the Northern District of Illinois, Eastern Division, and elsewhere,

WANDA RIVERA-BURTON and
LYNNETTE JOHNSON,

defendants herein, for the purpose of executing the above-described scheme to defraud, knowingly caused to be sent and delivered by Federal Express, a commercial interstate carrier, according to the directions thereon, loan documents including payoff checks from Barrister Title, LLC in Oak Forest, Illinois, addressed to Homecomings Financial Payoff Department in Dallas, Texas, relating to the purchase of a residence by RIVERA-BURTON, located at 4826 Summerhill, Country Club Hills, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

FORFEITURE ALLEGATION

The SPECIAL MARCH 2010 GRAND JURY further alleges:

1. The allegations in Counts One through Seven of this indictment are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)

2. As a result of their violations of Title 18, United States Code, Section 1344 as alleged in Counts One through Seven,

WANDA RIVERA-BURTON,
BRENDA TIBBS,
LYNNETTE JOHNSON,
VIKTOR BLANKS,
DINA DUNN and
NATHANIEL MAXWELL,

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

3. The interests of defendants subject to forfeiture pursuant to Title 18, United States Code, Sections 982(a)(2) include funds in the approximate amount of \$4.5 million.

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 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 982(a)(2).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY