

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	No.
v.)	
)	Violation: Title 18, United States Code,
JAY STRAUSS, and)	Section 1343
DONALD DOERING)	
)	Indictment

COUNT ONE

The SPECIAL MARCH 2010 GRAND JURY charges:

1. At times material to this Indictment:

a. Regent Realty Group, Inc. (“Regent Realty”) was a property management company with offices located at 2130 W. Belmont, in Chicago, Illinois. Regent Realty contracted with condominium associations to provide general management services for various condominium properties (the “Condominium Associations”).

b. Defendant DONALD DOERING (“DOERING”) was 50% owner and the president of Regent Realty.

c. JAY STRAUSS (“STRAUSS”) was 50% owner and the chairman of Regent Realty.

d. STRAUSS and DOERING caused Regent Realty to enter into contracts with the Condominium Associations under which Regent Realty agreed to manage the properties of each individual Condominium Association, including paying the bills and arranging for maintenance and repairs. The Condominium Associations and the individual

condominium owners agreed to pay assessment fees to Regent Realty, which they expected would be maintained in bank accounts for the management of the individual Condominium Associations.

e. STRAUSS and DOERING maintained the assessment fees paid by the Condominium Associations in co-mingled bank accounts, first at Bridgeview Bank and later at Corrus Bank (hereinafter, the “Regent Realty Account”). STRAUSS, DOERING, and Individual A, the Regent Realty Office Manager each had signatory authority over the Regent Realty Account.

f. Regent Realty produced a monthly financial report to each of the Condominium Associations reporting an accounting of each association’s finances, given the assessment payments made by each condominium owner and the bills and expenses met by the individual association.

g. DOERING prepared the monthly financial statements summarizing the funds managed by Regent Realty on behalf of each association for the various properties that Regent Realty managed. STRAUSS delivered the monthly financial reports given to the individual condominium associations summarizing the funds managed by Regent Realty on behalf of each association for the various properties that Regent Realty managed. STRAUSS delivered these reports both by hand and through electronic mail to the condominium association board members.

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

JAY STRAUSS, and
DONALD DOERING,

defendants herein, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain and retain money by means of materially false and fraudulent pretenses, representations, and promises, which scheme is described further below.

3. It was a part of the scheme that, rather than using the funds in the Regent Realty Account to manage the condominium properties as they had agreed to do, STRAUSS and DOERING, without the knowledge of the Condominium Associations and their members, diverted money from the Regent Realty Account in order to make payments on personal debt that STRAUSS and DOERING incurred on an unrelated real estate development project.

4. It was further part of the scheme that, in order to conceal their diversion of funds from the Regent Realty Account so that they could divert additional funds in the manner and to avoid detection of the scheme, STRAUSS and DOERING:

a. agreed to and did create false monthly financial reports for the accounts of each property managed by Regent Realty which falsely represented the balance in each Condominium Association's account by representing the account to have all the funds previously stolen by STRAUSS and DOERING;

b. caused the false monthly financial statements to be delivered from

DOERING to STRAUSS through electronic mail, and then from STRAUSS to the Condominium Associations, either through electronic mail or hand delivery;

5. It was further a part of the scheme that, by the above means, STRAUSS and DOERING fraudulently obtained over \$2 million in assessment payments from the Condominium Associations.

6. It was further part of the scheme that STRAUSS and DOERING converted the fraudulently-obtained money to their own use and benefit.

7. It was further part of the scheme that STRAUSS and DOERING misrepresented, concealed and hid, and caused to be misrepresented, concealed and hidden, the purposes of and acts done in furtherance of the scheme.

8. On or about November 11, 2007, at Chicago, in the Northern District of Illinois, Eastern Division,

JAY STRAUSS, and
DONALD DOERING,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted in interstate commerce by wire communication, certain writings, signs, and signals, namely an electronic mail communication from DOERING in Wilmette, Illinois through his Comcast electronic mail account, including a server located in Emeryville, California, to STRAUSS in Chicago, Illinois which attached the falsified July 2007 Financial Reports for the Classics of Lakeview property managed by Regent Realty;

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

COUNT TWO

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about November 21, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAY STRAUSS, and
DONALD DOERING,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted in interstate commerce by wire communication, certain writings, signs, and signals, namely an electronic mail communication from DOERING in Wilmette, Illinois through his Comcast electronic mail account, including a server located in Westchester, Pennsylvania, to STRAUSS in Chicago, Illinois which attached the falsified October 2007 Financial Report for the 1148 West Monroe property managed by Regent Realty;

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

COUNT THREE

The SPECIAL MARCH 2010 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about January 23, 2008, at Chicago, in the Northern District of Illinois, Eastern Division,

JAY STRAUSS, and
DONALD DOERING,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted in interstate commerce by wire communication, certain writings, signs, and signals, namely an electronic mail communication from DOERING in Wilmette, Illinois through his Comcast electronic mail account, including servers located in Westchester, Pennsylvania, to STRAUSS in Chicago, Illinois which attached the falsified December 2007 Financial Reports for the Buena Condo Association property managed by Regent Realty;

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

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY