



U. S. Department of Justice



United States Attorney
Northern District of Illinois

Patrick J. Fitzgerald
United States Attorney

Federal Building
219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300

FOR IMMEDIATE RELEASE
THURSDAY MAY 3, 2012
www.justice.gov/usao/iln

PRESS CONTACTS:
AUSA Heather McShain 312-353-1414
Randall Samborn 312-353-5318

**SEVEN DEFENDANTS INDICTED IN ALLEGED \$8.8 MILLION MORTGAGE
FRAUD SCHEME INVOLVING 35 CONDOMINIUM LOANS IN CHICAGO**

CHICAGO — Seven defendants, including a Streamwood man who co-owned a Chicago condominium building and two loan officers, were indicted for allegedly participating in a scheme to fraudulently obtain approximately 35 mortgage loans totaling more than \$8.8 million from various lenders, federal law enforcement officials announced today. The indictment alleges that most of the mortgages were obtained to finance the purchase of condominium units in a building located at 4725 South Michigan Ave., Chicago, by straw buyers, including a Chicago police officer, **John Welch**, and others. Defendant **Yaseen Ahmed**, who co-owned the Michigan Avenue condominium building, and co-defendant **Eliot Higueros**, who allegedly recruited straw buyers, caused proceeds of the fraud to be disbursed to themselves and multiple companies they owned or controlled, the charges allege.

All seven defendants, who will be arraigned at a later date in U.S. District Court, were charged with various counts of wire fraud in an 11-count indictment that was returned by a federal grand jury yesterday. The indictment also seeks forfeiture of \$8,820,630. The charges were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and

Barry McLaughlin, Special Agent-in-Charge of the U.S. Department of Housing and Urban Development Office of Inspector General in Chicago.

Ahmed, 37, of Streamwood, who was charged with 10 counts of wire fraud, was co-owner of a company that owned the 4725 South Michigan Ave. condominium building. Other properties involved in the alleged fraud scheme were located at 3318 West Monroe St., 7919-21 South Phillips Ave., 1349 North Sedgwick St., and 2012 West Thomas St., all in Chicago.

Between 2006 and 2008, Ahmed, his co-defendants and others allegedly schemed to obtain the fraudulent mortgages by making false representations in loan applications, supporting documents, and HUD-1 settlement statements concerning the buyers' employment, financial condition, assets, true source of down payments, and intention to occupy the residence.

As part of the scheme, Higueros, 41, of Chicago, who was charged in all 11 counts, allegedly recruited Welch, 34, of Chicago; **Amanda Fanaro**, 28, of Oswego; and **Kristin Daugherty**, also 28, of Erie, Col., and formerly of Oswego, as well as seven other unnamed individuals to serve as nominee buyers.

Ahmed and Higueros allegedly referred the straw buyers to licensed loan officers, including co-defendants **Razzak Khader**, 33, of Morton Grove, and **Theodore Cardenas**, 42, of Westmont, to arrange for the buyers to obtain fraudulent mortgage loans. The indictment alleges that Higueros paid the straw buyers to purchase the units knowing that the payments would be concealed from the mortgage lenders, and that Ahmed paid Khader for fraudulently qualifying certain straw buyers knowing that these payments would also be concealed. Upon closing the transactions, Ahmed and Higueros caused title companies to disburse the loan proceeds to themselves and their multiple business entities, the charges allege.

As an example of the pattern alleged throughout the indictment, Higueros recruited Welch to purchase four condominium units in the 4725 South Michigan Ave., building, knowing that he would obtain financing by making false statements to mortgage lenders, the indictment alleges. Higueros paid Welch for each unit that Welch bought, knowing that the payments would not be disclosed to the lenders, it adds.

The government is being represented by Assistant U.S. Attorneys Heather McShain and Brian Netols.

Each count of wire fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, and restitution is mandatory. If convicted, the Court may impose an alternate fine totaling twice the loss to any victim or twice the gain to the defendant, whichever is greater. The Court must impose a reasonable sentence under federal sentencing statutes and 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.

The charges are part of a continuing effort to investigate and prosecute mortgage fraud in northern Illinois and nationwide under the umbrella of the interagency Financial Fraud Enforcement Task Force, which was established to lead an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes.

Since 2008, close to 200 defendants have been charged in Federal Court in Chicago and Rockford with engaging in various mortgage fraud schemes involving more than 1,000 properties and more than \$280 million in potential losses, signifying the high priority that federal law

enforcement officials give mortgage fraud in an effort to deter others from engaging in crimes relating to residential and commercial real estate.

The Financial Fraud Enforcement Task Force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit: www.StopFraud.gov.

#