

July 11, 2005

**FOUR MORE DEFENDANTS PLEAD GUILTY
IN \$10 MILLION REAL ESTATE MORTGAGE FRAUD**

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; ROBERT D. GRANT, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation; BYRAM TICHENOR, Special Agent-In-Charge of the Chicago Field Office of the Internal Revenue Service Criminal Investigations Division (“IRS-CID”); LOUIS BIANCHI, McHenry County State’s Attorney, and HOWARD PARTH, Chief of the Crystal Lake Police Department, today made the following announcement:

Today, in federal court in Rockford, **MICHAEL SKATULSKI**, 33 (DOB: 9/14/71), 1808 South Michigan Avenue, Number 37, Chicago, Illinois, also known as “Michael Novak,” pled guilty to federal wire fraud charges in connection with a \$10 million dollar real estate mortgage fraud.

The charges to which Skatulski pled guilty are part of a 37-count indictment that was returned by a federal grand jury in Rockford on April 8, 2004. That indictment charged eleven individuals with wire fraud, mail fraud, and money laundering. The indictment alleges that the defendants defrauded several banks and other lenders out of millions of dollars by conducting numerous fraudulent real estate closings.

In pleading guilty today, Skatulski admitted that he participated in the scheme to defraud the lenders from at least July 2002, through September 23, 2003. Skatulski further admitted that he recruited individuals to pose as “straw” buyers of properties in Chicago that members of the scheme controlled. These “straw” buyers had no real interest in buying or selling the real estate for which they obtained loans. Instead, they were merely posing as “buyers” so that the leaders of the scheme could obtain the loan proceeds from these fraudulent real estate transactions. The leaders of the scheme paid the “straw” buyers a \$5,000 fee for appearing at the closing, signing various documents, and falsely representing that they were purchasing the properties.

Skatulski further admitted that at these fraudulent real estate closings, he and other co-defendants presented fraudulent “mortgage releases.” These fraudulent mortgage releases falsely represented that the prior mortgages against the properties had been paid off. In reliance on these mortgage releases, the title company employees released the loan funds to Skatulski and other co-defendants, instead of using the funds to pay off the lenders who held the existing mortgages.

Today's guilty plea by Skatulski marks the fourth guilty plea in the case in the past two weeks. The other three defendants who recently pleaded guilty are:

MAGDALENA BANASIK, 54 (DOB: 11/12/50), 6006 West Miami, Chicago, Illinois. On July 8, 2004, Banasik pled guilty to one count of wire fraud and one count of money laundering. In pleading guilty, Banasik admitted that she participated as a "straw" buyer or "straw" seller at eight fraudulent real estate closings. She also admitted that she allowed her bank account to be used to launder profits generated by the fraud;

ROBERT KAROLKIEWICZ, 41 (DOB: 4/17/64), 3109 North Octavia, Chicago, Illinois. On July 8, 2004, Karolkiewicz pled guilty to one count of wire fraud and one count of money laundering. In pleading guilty, Karolkiewicz admitted that he participated as a "straw" buyer at 5 fraudulent real estate closings and allowed his bank account to be used to launder profits generated by the fraud; and

BOZENA SAUCIUC, 43 (DOB: 5/13/60), 204 Lake Shore Drive, Oakwood Hills, Illinois. On June 30, 2005, Sauciuc pled guilty to one count of wire fraud. In pleading guilty, Sauciuc admitted that she participated as a "straw" buyer at 3 fraudulent real estate closings.

United States District Judge Philip G. Reinhard had set the trial for Skatulski, Banasik, Karolkiewicz, and Sauciuc to begin on July 18, 2005. Because these defendants have now pleaded guilty, there will be no trial and the case will proceed with sentencing hearings for the defendants. Judge Reinhard has scheduled Sauciuc's sentencing hearing for Friday, September 2, 2005. Skatulski, Banasik, and Karolkiewicz will all be sentenced on Friday, October 7, 2005.

Each of the wire fraud counts to which the defendants have pleaded guilty carries a maximum sentence of up to thirty years of imprisonment, a fine of up to \$1,000,000, and restitution. Each of the money laundering counts carries a maximum sentence of up to twenty years of imprisonment, a fine of up to \$250,000, and restitution. The actual sentences will be determined by the United States District Court, guided by the United States Sentencing Guidelines.

Previously, six other defendants in the case also pleaded guilty. They are:

JAN ROZYCKA, 42, 3701 North Harding, Chicago, Illinois, also known as "Jan Rozycki," also known as "John Hanus," also known as "Jarek," also known as "John Krzinski." On August 25 2004, Rozycka pled guilty to two counts of wire fraud. In pleading guilty, Rozycka admitted that he was one of the organizers and leaders of the fraudulent real estate closing scam. Specifically, Rozycka admitted that he recruited other participants in the scheme to pose as "straw" buyers and sellers. Rozycka also admitted that he provided fraudulent "Mortgage Releases" to the title companies at the real estate closings. Rozycka has not yet been sentenced.

IGNACY KONDRAD, 50 (DOB: 2/18/55), 2862 North Milwaukee Avenue, Chicago, Illinois, also known as “Piotr Poltorak,” also known as “Jan Jestal.” On June 8, 2004, Kondrad pled guilty to one count of money laundering. In pleading guilty, Kondrad admitted that he laundered approximately \$4.5 million of the profits from the fraudulent real estate closings through four bank accounts that he had opened in false names. On December 30, 2004, United States District Judge Philip G. Reinhard sentenced Kondrad to 63 months in prison, ordered Kondrad to pay \$4,463,135.39 in restitution, and further ordered him to forfeit all funds that were seized from one of the bank accounts that he had used during the scheme. Judge Reinhard also ordered that, after Kondrad completes his prison sentence, he will be surrendered to the Bureau of Immigration and Customs Enforcement for deportation proceedings.

WALDEMAR WILKIEWICZ, 28 (DOB: 1/10/75), 3153 North Hamlin, Chicago, Illinois, also known as “Robert Karolkiewicz.” On May 28, 2004, Wilkiewicz pled guilty to one count of wire fraud. In his guilty plea, Wilkiewicz admitted that, using the false name of “Robert Karolkiewicz,” he posed as a straw seller at two fraudulent closings in Crystal Lake on September 23, 2003. On August 6, 2004, Judge Reinhard sentenced Wilkiewicz to 18 months in federal prison. Judge Reinhard also ordered that, after his prison sentence is completed, Wilkiewicz will be surrendered to the Bureau of Immigration and Customs Enforcement for deportation proceedings.

ZBIGNIEW RECKO, 35, last known address of 3901 North Tripp Avenue, Number 310, Chicago, Illinois, also known as “Robert Karolkiewicz,” also known as “Tomasz Wozny,” also known as “Tomasz Romanzuk,” also known as Tomasz Godowski,” also known as “Bradley Anatol Wawreniuk,” also known as “Roman Parczewski.” On September 28, 2004, Recko pled guilty to one count of wire fraud. In pleading guilty, Recko admitted that he acted as a “straw” seller, using several different false identities, at six of the fraudulent real estate closings. Recko has not yet been sentenced.

DOROTHY KAWA, 36 (DOB: 7/29/68), 6313 West Cuyler, Chicago, Illinois. Kawa is the owner of a mortgage brokerage firm known as Northwest Fidelity Mortgage Corporation, which is located in Morton Grove, Illinois. On June 15, 2005, Kawa pled guilty to one count of wire fraud and one count of money laundering. In pleading guilty, Kawa admitted that she knowingly arranged loans for individuals who were acting as “straw” buyers of properties controlled by the leaders of the scheme. The sentencing hearing for Kawa has been scheduled for August 26, 2006, at 10:00 a.m.

JULITA URAMOWSKA, 31, 3903 Grand Avenue, Western Springs, Illinois, also known as “Julie Smalley.” On October 6, 2004, Uramowska pled guilty to one count of wire fraud. Uramowska was employed as a loan officer for P & I Financial Group, a mortgage brokerage firm located in Northbrook, Illinois. In her guilty plea, Uramowska admitted that she knowingly arranged financing for a “straw” buyer of one of the properties involved in the scam.

The one remaining defendant in the case is **IOAN CORSIUC**, 65 (DOB: 6/13/40), 4869 North Kilbourn Avenue, Chicago, Illinois. Corsiuc is charged with five counts of wire fraud and one count of money laundering. The district court has severed the case against Corsiuc from the cases against the other defendants because of Corsiuc's poor health. Corsiuc's case is set for a status hearing on Wednesday, August 24, 2005, at 9:00 a.m.

Members of the public are reminded that an indictment is only a charge and is not evidence of guilt. Ioan Corsiuc is entitled to a fair trial at which the government has the burden of proving his guilt beyond a reasonable doubt.

The case is being investigated by the Rockford offices of the FBI and IRS-CID. The case is being prosecuted in federal court by Assistant United States Attorney SCOTT A. VERSEMAN. The investigation was initiated on September 23, 2003, when the Crystal Lake Police Department arrested Rozycka, Kondrad, and Wilkiewicz on forgery charges after they conducted a fraudulent real estate closing in Crystal Lake. The Crystal Lake Police Department and the McHenry County State's Attorney's Office are assisting in the federal investigation.

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