

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA	)	<b><u>Under Seal</u></b>
	)	
	)	No.
v.	)	
	)	
	)	Violations: Title 18, United States
LAITH GHZO, HUSSEIN GHZO, and	)	Code, Sections 371, 513, and 1341
MUSAB SAWAI	)	

**COUNT ONE**

THE SPECIAL JULY 2021 GRAND JURY charges:

1. At times material to this Indictment:

a. Defendants LAITH GHZO, HUSSEIN GHZO, and MUSAB SAWAI (“defendants”) were residents of Justice, Illinois. Defendants were engaged in the business of buying and selling used vehicles.

b. The Illinois Secretary of State was an office of the State of Illinois and responsible for issuing and maintaining records of vehicle titles.

2. Beginning in or around January 2014, and continuing through in or around September 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

LAITH GHZO,  
HUSSEIN GHZO, and  
MUSAB SAWAI,

defendants herein, conspired and agreed with each other, and other persons known and unknown to the Grand Jury, to commit offenses against the United States, that

is, with the intent to deceive another person, organization, and government, to knowingly make, utter, and possess counterfeited and forged securities—specifically, counterfeited and forged motor vehicle titles issued by the State of Illinois, the State of Maryland, and other states—in violation of Title 18, United States Code, Section 513(a).

**Purpose, Manner, and Means of the Conspiracy**

3. It was the purpose of defendants’ conspiracy to defraud the purchasers of used motor vehicles by inducing them to believe the vehicles had lower mileages than those vehicles actually had, causing purchasers to pay more for the vehicles than they would have otherwise. Defendants executed the conspiracy through numerous entities registered as wholesale motor vehicle dealers in California, Illinois, Indiana, Missouri, Virginia, and Wisconsin.

4. It was part of the conspiracy that defendants purchased used high-mileage vehicles, often at auto auctions. Defendants then caused the vehicles’ odometers to be “rolled back” to false, lower mileage readings.

5. It was further part of the conspiracy that defendants altered the titles for the rolled back vehicles so the titles reflected the false, lower mileages. At times, defendant LAITH GHZO used chemicals or a razor blade to physically alter title documents. At other times, defendant MUSAB SAWAI altered vehicle titles, including by changing the first digit of the listed mileage or writing the false, lower mileage over the listed mileage. For example, if a vehicle title listed the mileage as 119,205 miles, defendant MUSAB SAWAI would re-write the mileage as “x19,205x.”

6. It was further part of the conspiracy that defendants submitted the altered titles to the Illinois Secretary of State to obtain “clean” duplicate titles reflecting the false, lower mileages. Using the clean titles, defendants sold the rolled back vehicles through auto auctions in the Northern District of Illinois. In so doing, defendants caused both the first and subsequent purchasers of the vehicles, including consumers, to pay more for the vehicles than they would have paid if they had known the vehicles’ actual mileage.

7. During the course of the conspiracy, defendants altered the titles of at least approximately 300 vehicles before selling those vehicles to unsuspecting purchasers.

8. As used in this Indictment, the following vehicle numbers refer to the vehicles identified below:

Vehicle No.	Year/Make/Model	Vehicle Identification No.
1	2007 Chevrolet Tahoe	1GNEK130X7J138366
2	2008 Hyundai Elantra	KMH DU46D78U494493
3	2007 Toyota RAV4	JTMBK31V975017536
4	2007 Chevrolet Colorado	1GCDS19EX78192233
5	2012 Ford Fusion	3FAHP0HAXCR447733
6	2009 Nissan Murano	JN8AZ18W99W152415
7	2008 Jeep Grand Cherokee	1J8HR68298C243889
8	2010 Toyota Camry	4T1BF3EK0AU564546
9	2013 Ford Econoline	1FBNE3BL7DDA11130
10	2010 Nissan Pathfinder	5N1AR1NB5AC604035

### **Overt Acts**

9. In furtherance of the conspiracy, defendants committed the following overt acts, among others, in the Northern District of Illinois, and elsewhere:

#### **Vehicle 1**

10. On or about September 12, 2016, defendant LAITH GHZO purchased Vehicle 1 on behalf of Entity 1 at a wholesale auto auction located in Maryland for approximately \$7,100. At that time, the vehicle's odometer had a mileage reading of approximately 154,379 miles.

11. On or about September 21, 2016, defendant LAITH GHZO altered the existing Maryland title for Vehicle 1 to falsely state that the vehicle's mileage was approximately 104,379 miles when purchased from the wholesale auto auction.

12. On or about September 21, 2016, defendant MUSAB SAWAI submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 1, securing a fraudulent title reflecting a false odometer reading of approximately 106,520. The false and fictitious title was mailed to the home address of defendant LAITH GHZO, within the Northern District of Illinois.

13. On or about September 23, 2016, defendants caused the sale of and sold Vehicle 1 at a wholesale auto auction in Indiana for approximately \$10,930, with a false mileage reading on the odometer of approximately 108,105 miles.

## **Vehicle 2**

14. On or about September 12, 2016, defendant LAITH GHZO purchased Vehicle 2 on behalf of Entity 1 at a wholesale auto auction located in Maryland for approximately \$1,900. At that time, the vehicle's odometer had a mileage reading of approximately 194,514 miles.

15. On or about September 16, 2016, defendant LAITH GHZO altered the existing Maryland title for Vehicle 2 to falsely state that the vehicle's mileage was approximately 49,458 miles when purchased from the wholesale auto auction.

16. On or about September 16, 2016, defendant LAITH GHZO submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 2, securing a fraudulent title reflecting a false odometer reading of approximately 49,458 miles. The false and fictitious title was mailed to the home address of defendant LAITH GHZO, within the Northern District of Illinois.

17. On or about September 20, 2016, defendants caused the sale of and sold Vehicle 2 at a wholesale auto auction in Illinois for approximately \$4,500, with a false mileage reading on the odometer of approximately 49,751 miles.

## **Vehicle 3**

18. On or about September 19, 2016, defendant MUSAB SAWAI purchased Vehicle 3 on behalf of Entity 1 at a wholesale auto auction located in Maryland for approximately \$6,200. At that time, the vehicle's odometer had a mileage reading of approximately 130,542 miles.

19. On or about September 21, 2016, defendant LAITH GHZO altered the existing Maryland title for Vehicle 3 to falsely state that the vehicle's mileage was approximately 51,950 miles when purchased from the wholesale auto auction.

20. On or about September 27, 2016, defendant LAITH GHZO submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 3, securing a fraudulent title reflecting a false odometer reading of approximately 52,009 miles. The false and fraudulent title was mailed to defendant MUSAB SAWAI's home address, within the Northern District of Illinois.

21. On or about September 27, 2016, defendants caused the sale of and sold Vehicle 3 at a wholesale auto auction within the Northern District of Illinois for approximately \$9,300, with a false mileage reading on the odometer of approximately 52,024 miles.

#### **Vehicle 4**

22. On or about September 26, 2016, defendant HUSSEIN GHZO purchased Vehicle 4 on behalf of Entity 1 at a wholesale auto auction located in South Carolina for approximately \$3,800. At the time, the vehicle's odometer had a mileage reading of approximately 203,625 miles.

23. On or about September 27, 2016, defendant LAITH GHZO altered the existing South Carolina title for Vehicle 4 to falsely state that the vehicle's mileage was approximately 80,362 miles when purchased from the wholesale auto auction.

24. On or about September 27, 2016, defendant HUSSEIN GHZO submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 4, securing a fraudulent title reflecting a false odometer reading of approximately 80,364 miles.

25. On or about September 30, 2016, defendants caused the sale of and sold Vehicle 4 at a wholesale auto auction in Indiana for approximately \$6,400, with a false mileage reading on the odometer of approximately 80,882 miles.

### **Vehicle 5**

26. On or about September 25, 2017, defendant MUSAB SAWAI purchased Vehicle 5 on behalf of Entity 2 at a wholesale auto auction located in Maryland for approximately \$4,200. At the time, the vehicle's odometer had a mileage reading of approximately 139,727 miles.

27. On or about October 13, 2017, defendant MUSAB SAWAI altered the existing Maryland title for Vehicle 5 to falsely state that the vehicle's mileage was approximately 39,727 miles when purchased from the wholesale auto auction. Defendant SAWAI altered the title by replacing the notation "139,727" with the notation "x39,727x."

28. On or about October 13, 2017, defendant MUSAB SAWAI submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 5, securing a fraudulent title reflecting a false odometer reading of approximately 42,750 miles. Defendant SAWAI caused the false and

fraudulent title to be mailed to his home address, within the Northern District of Illinois.

29. On or about October 19, 2017, defendants caused the sale of and sold Vehicle 5 at a wholesale auto auction within the Northern District of Illinois for approximately \$6,100, with a false mileage reading on the odometer of approximately 51,305 miles.

### **Vehicle 6**

30. On or about September 25, 2017, defendant MUSAB SAWAI purchased Vehicle 6 on behalf of Entity 2 at a wholesale auto auction located in Maryland for approximately \$4,900. At the time, the vehicle's odometer had a mileage reading of approximately 166,682 miles.

31. On or about September 27, 2017, defendant MUSAB SAWAI altered the existing Maryland title for Vehicle 6 to falsely state that the vehicle's mileage was approximately 46,682 miles when purchased from the wholesale auto auction.

32. On or about September 27, 2017, defendant MUSAB SAWAI submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 6, securing a fraudulent title reflecting a false odometer reading of approximately 46,687 miles. Defendant SAWAI caused the false and fraudulent title to be mailed to his home address, within the Northern District of Illinois.

33. On or about October 17, 2017, defendants caused the sale of and sold Vehicle 6 at a wholesale auto auction within the Northern District of Illinois for

approximately \$7,500, with a false mileage reading on the odometer of approximately 70,009 miles.

### **Vehicle 7**

34. On or about October 18, 2017, defendant HUSSEIN GHZO purchased Vehicle 7 on behalf of Entity 3 at a wholesale auto auction located in New York for approximately \$3,250. At the time, the vehicle's odometer had a mileage reading of approximately 181,732 miles.

35. On or about November 2, 2017, defendant LAITH GHZO altered the existing Minnesota title for Vehicle 7 to falsely state that the vehicle's mileage was approximately 48,735 miles when purchased from the wholesale auto auction.

36. On or about November 2, 2017, defendant MUSAB SAWAI submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 7, securing a fraudulent title reflecting a false odometer reading of approximately 48,735 miles. The false and fictitious title was mailed to the home address of defendant LAITH GHZO, within the Northern District of Illinois.

37. On or about October 26, 2017, defendants caused the sale of and sold Vehicle 7 at a wholesale auto auction in Illinois for approximately \$8,000, with a false mileage reading on the odometer of 48,804 miles.

### **Vehicle 8**

38. On or about November 2, 2017, defendant HUSSEIN GHZO purchased Vehicle 8 on behalf of Entity 3 at a wholesale auto auction located in Maryland for

approximately \$2,650. At that time the vehicle's odometer had a mileage reading of approximately 221,762 miles.

39. On or about November 14, 2017, defendant LAITH GHZO altered the existing Maryland title for Vehicle 8 to falsely state that the vehicle's mileage was approximately 61,765 miles when purchased from the wholesale auto auction.

40. On or about November 14, 2017, defendant MUSAB SAWAI submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 8, securing a fraudulent title reflecting a false odometer reading of approximately 61,765 miles. The false and fictitious title was mailed to the home address of defendant LAITH GHZO, within the Northern District of Illinois.

41. On or about November 16, 2017, defendants caused the sale of and sold Vehicle 8 at a wholesale auto auction in Illinois for approximately \$7,200, with a false mileage reading on the odometer of approximately 64,072 miles.

### **Vehicle 9**

42. On or about November 10, 2017, defendant LAITH GHZO purchased Vehicle 9 on behalf of Entity 3 at a wholesale auto auction located in Oklahoma for approximately \$2,500. At that time the vehicle's odometer had a mileage reading of approximately 128,625 miles.

43. On or about December 20, 2017, defendant LAITH GHZO altered the existing Oklahoma title for Vehicle 9 to falsely state that the vehicle's mileage was approximately 58,631 miles when purchased from the wholesale auto auction.

44. On or about December 20, 2017, defendant HUSSEIN GHZO submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 9, securing a fraudulent title reflecting a false odometer reading of approximately 58,631 miles. The false and fictitious title was mailed to the home address of defendant LAITH GHZO, within the Northern District of Illinois.

45. On or about January 4, 2018, defendants attempted to sell Vehicle 9 at a wholesale auto auction in Illinois with a false mileage reading on the odometer of approximately 60,074 miles.

#### **Vehicle 10**

46. On or about December 26, 2017, defendant MUSAB SAWAI purchased Vehicle 10 on behalf of Entity 2 at a wholesale auto auction located in Illinois for approximately \$4,900. At that time the vehicle's odometer had a mileage reading of approximately 207,132 miles.

47. On or about January 5, 2018, defendant LAITH GHZO altered the existing Illinois title for Vehicle 10 by removing the entry showing that the vehicle had a mileage reading of approximately 207,132 miles.

48. On or about January 5, 2018, defendant MUSAB SAWAI submitted the vehicle's title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 10, securing a fraudulent title reflecting a false odometer reading of approximately 52,181 miles. The false and fictitious title was mailed to the home address of MUSAB SAWAI, within the Northern District of Illinois.

49. On or about January 4, 2018, defendants caused the sale of and sold Vehicle 10 at a wholesale auto auction in Illinois for approximately \$10,500, with a false mileage reading on the odometer of approximately 52,280 miles;

All in violation of Title 18, United States Code, Section 371.

**COUNT TWO**

THE SPECIAL JULY 2021 GRAND JURY further charges:

On or about November 2, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

LAITH GHZO,

defendant herein, did knowingly make, utter, and possess, and cause to be made, uttered, and possessed, a counterfeited and forged security of the State of Illinois, namely, a certificate of title relating to Vehicle 7, with the intent to deceive another person, organization, and government;

In violation of Title 18, United States Code, Section 513(a).

**COUNT THREE**

THE SPECIAL JULY 2021 GRAND JURY further charges:

On or about November 14, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

LAITH GHZO,

defendant herein, did knowingly make, utter, and possess, and cause to be made, uttered, and possessed, a counterfeited and forged security of the State of Illinois, namely, a certificate of title relating to Vehicle 8, with the intent to deceive another person, organization, and government;

In violation of Title 18, United States Code, Section 513(a).

**COUNT FOUR**

THE SPECIAL JULY 2021 GRAND JURY further charges:

On or about December 20, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

HUSSEIN GHZO,

defendant herein, did knowingly make, utter, and possess, and cause to be made, uttered, and possessed, a counterfeited and forged security of the State of Oklahoma, namely, a certificate of title relating to Vehicle 9, with the intent to deceive another person, organization, and government;

In violation of Title 18, United States Code, Section 513(a).

**COUNT FIVE**

THE SPECIAL JULY 2021 GRAND JURY further charges:

On or about December 20, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

**LAITH GHZO,**

defendant herein, did knowingly make, utter, and possess, and cause to be made, uttered, and possessed, a counterfeited and forged security of the State of Illinois, namely, a certificate of title relating to Vehicle 9, with the intent to deceive another person, organization, and government;

In violation of Title 18, United States Code, Section 513(a).

## COUNT SIX

THE SPECIAL JULY 2021 GRAND JURY further charges:

1. At times material to this Indictment:

a. Defendants LAITH GHZO and HUSSEIN GHZO were residents of Justice, Illinois, and engaged in the business of buying and selling used vehicles.

b. The Illinois Secretary of State was an office of the State of Illinois and responsible for issuing and maintaining records of vehicle titles.

2. Beginning in or around 2014, and continuing through in or around September 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

LAITH GHZO and  
HUSSEIN GHZO,

defendants herein, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain money and property 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 sold over 300 used vehicles to purchasers at falsely inflated prices by altering existing titles and fraudulently obtaining new titles for those vehicles to make it appear that the vehicles had lower mileages than they actually had and were more valuable than they actually were.

4. It was further part of the scheme that defendants purchased used high-mileage vehicles, often at auto auctions located outside of Illinois.

5. It was further part of the scheme that, following the purchase of these high-mileage vehicles, defendants transported the vehicles back to the Northern District of Illinois and caused the vehicles' odometers to be "rolled back" to reflect falsely lowered mileage readings.

6. It was further part of the scheme that defendants altered the titles for the used vehicles obtained by defendants at the time of purchase in order to make it appear that the titles matched the falsely lowered mileages appearing on the odometers.

7. It was further part of the scheme that defendants submitted the altered titles to the Illinois Secretary of State to obtain "clean" duplicate titles reflecting the falsely lowered mileage readings.

8. It was further part of the scheme that defendants, using the clean titles, sold the used vehicles with the falsely lowered mileage readings to various purchasers at inflated prices, typically through auto auctions open only to wholesalers in the Northern District of Illinois, knowing that the vehicles ultimately would be sold by the wholesalers to consumers at more significantly inflated prices.

9. It was further part of the scheme that, on or about October 18, 2017, defendant HUSSEIN GHZO purchased Vehicle 7 on behalf of Entity 3 at a wholesale auto auction located in New York for approximately \$3,250. At that time the vehicle's odometer had a mileage reading of approximately 181,732 miles.

10. It was further part of the scheme that, on or about November 2, 2017, defendant LAITH GHZO altered the existing Minnesota title for Vehicle 7 to falsely

state that the vehicle's mileage was approximately 48,735 miles when purchased from the wholesale auto auction.

11. It was further part of the scheme that, on or about November 2, 2017, Co-Schemer A submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 7, securing a fraudulent title reflecting a false odometer reading of approximately 48,735 miles.

12. It was further part of the scheme that, on or about November 2, 2017, defendant HUSSEIN GHZO purchased Vehicle 8 on behalf of Entity 3 at a wholesale auto auction located in Maryland for approximately \$2,650. At that time the vehicle's odometer had a mileage reading of approximately 221,762 miles.

13. It was further part of the scheme that, on or about November 14, 2017, defendant LAITH GHZO altered the existing Maryland title for Vehicle 8 to falsely state that the vehicle's mileage was approximately 61,765 miles when purchased from the wholesale auto auction.

14. It was further part of the scheme that, on or about November 14, 2017, Co-Schemer A submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 8, securing a fraudulent title reflecting a false odometer reading of approximately 61,765 miles.

15. It was further part of the scheme that, on or about November 10, 2017, defendant LAITH GHZO purchased Vehicle 9 on behalf of Entity 3 at a wholesale auto auction located in Oklahoma for approximately \$2,500. At that time the vehicle's odometer had a mileage reading of approximately 128,625 miles.

16. It was further part of the scheme that, on or about December 20, 2017, defendant LAITH GHZO altered the existing Oklahoma title for Vehicle 9 to falsely state that the vehicle's mileage was approximately 58,631 miles when purchased by Entity 3.

17. It was further part of the scheme that, on or about December 20, 2017, defendant HUSSEIN GHZO submitted the false and fraudulent title to the Illinois Secretary of State in support of an application for an Illinois title for Vehicle 9, securing a fraudulent title reflecting a false odometer reading of approximately 58,631 miles.

18. It was further part of the scheme that defendants LAITH GHZO and HUSSEIN GHZO misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the existence, purposes, and acts done in furtherance of the scheme.

19. As a result of the scheme, defendants caused and attempted to cause losses to the wholesale purchasers who acquired these vehicles directly from defendants and to the consumers who ultimately purchased the vehicles from those wholesale purchasers, all in excess of \$2 million.

20. On or about November 2, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

LAITH GHZO,

defendant herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused mail to be delivered by private and commercial interstate carrier, namely, an envelope addressed to LAITH GHZO in Justice, Illinois that contained a title depicting a falsely lowered odometer reading issued by the Illinois Secretary of State for Vehicle 7;

In violation of Title 18, United States Code, Section 1341.

**COUNT SEVEN**

THE SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 19 of Count Six are incorporated here.
2. On or about November 14, 2017, in the Northern District of Illinois,

Eastern Division, and elsewhere,

LAITH GHZO,

defendant herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused mail to be delivered by private and commercial interstate carrier, namely, an envelope addressed to LAITH GHZO in Justice, Illinois that contained a title depicting a falsely lowered odometer reading issued by the Illinois Secretary of State for Vehicle 8;

In violation of Title 18, United States Code, Section 1341.

**COUNT EIGHT**

THE SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 19 of Count Six are incorporated here.
2. On or about December 20, 2017, in the Northern District of Illinois,

Eastern Division, and elsewhere,

LAITH GHZO and  
HUSSEIN GHZO,

defendants herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused mail to be delivered by private and commercial interstate carrier, namely, an envelope addressed to LAITH GHZO in Justice, Illinois that contained a title depicting a falsely lowered odometer reading issued by the Illinois Secretary of State for Vehicle 9;

In violation of Title 18, United States Code, Section 1341.

**FORFEITURE ALLEGATION**

The SPECIAL JULY 2021 GRAND JURY alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 371, 513, or 1341, as set forth in this Indictment,

LAITH GHZO,  
HUSSEIN GHZO, and  
MUSAB SAWAI,

defendants herein, shall forfeit to the United States of America any property which constitutes and is derived from proceeds traceable to the offense, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. If any of the property subject to forfeiture and described above, as a result of any act or omission of a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or 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).

A TRUE BILL:

\_\_\_\_\_  
FOREPERSON

/s/ John R. Lausch, Jr., by TCM  
UNITED STATES ATTORNEY