

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	
)	Violations: Title 18 United States
PRECIOUS W. HOUSE,)	Code, Sections 1014 and 1344
BRIAN K. HUGHES,)	
MURCHAE L O. TURNER, and)	
KEITH B. FOSTER)	

COUNT ONE

The SPECIAL AUGUST 2012 GRAND JURY charges:

1. At times material to this indictment:
 - a. Defendant PRECIOUS W. HOUSE was the president of Rolling Auto, Inc., a wholesale automobile dealership incorporated in Indiana.
 - b. Wholesale automobile dealerships, if properly licensed by the State of Indiana, were authorized to purchase and sell automobiles to other dealerships but prohibited from selling vehicles to individuals and to the general public.
 - c. Credit Union 1, Great Lakes Credit Union, Pentagon Federal Credit Union, and Sherwin-Williams Credit Union made loans for the purchase of automobiles.
 - d. Great Lakes Credit Union, Pentagon Federal Credit Union, and Sherwin-Williams Credit Union were financial institutions whose deposits were insured by the National Credit Union Share Insurance Fund.
 - e. Credit Union 1 was a privately insured credit union chartered under the laws of Illinois.

f. Lenders required truthful information from applicants seeking a loan to purchase an automobile, including truthful information about the applicant's employment, income, financial condition, assets, liabilities, intention to purchase an automobile, and existence of an agreement to purchase an automobile, which information was material to the lenders' decisions regarding whether to approve the loans and the terms of the loans.

2. Beginning not later than February 2013, and continuing through at least in or about November 2013, in the Northern District of Illinois, Eastern Division, and elsewhere,

PRECIOUS W. HOUSE,
BRIAN K. HUGHES,
MURCHAE L O. TURNER, and
KEITH B. FOSTER,

defendants herein, knowingly participated in a scheme to defraud a financial institution, namely, Great Lakes Credit Union, Pentagon Federal Credit Union, Sherwin-Williams Credit Union, and others, and to obtain money and funds owned by and under the control of the financial institution 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 PRECIOUS W. HOUSE, BRIAN K. HUGHES, MURCHAE L O. TURNER, and KEITH B. FOSTER, together with other co-schemers, fraudulently applied for at least approximately 46 automobile loans seeking a total amount of at least approximately \$1,400,000, and fraudulently obtained at least approximately 28 automobile loans with a total amount of at least approximately \$914,000, by making and causing to be made materially false representations in documents submitted to lenders, including loan applications, vehicle purchase orders, and verifications of employment, concerning, among other things, the individuals' income, employment, credit history, intent to use the loan proceeds

to purchase automobiles, and the existence of contracts obligating the individuals to purchase vehicles from defendant HOUSE and Rolling Auto, Inc.

4. It was further part of the scheme that defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, and MURCHAEL O. TURNER recruited individuals seeking automobile loans and personal loans, agreed to find loans for these individuals in exchange for a fee of 20 to 30 percent of the loan, and then knowingly submitted and caused to be submitted false and fraudulent information in the individuals' loan applications, including false and fraudulent information about: (a) the individuals' income; (b) the individuals' employment; (c) the individuals' credit history; (d) the individuals' intent to use the loan proceeds to purchase automobiles from defendant HOUSE's company, Rolling Auto, Inc., and other companies, including WLA Motors and XPress Automotives, Inc.; and (e) the existence of contracts obligating the individuals to purchase luxury automobiles from defendant HOUSE and Rolling Auto, Inc., including vehicles manufactured by BMW, Chevrolet, Jaguar, Lexus, Mercedes-Benz, Nissan, Porsche, and others.

5. It was further part of the scheme that defendants BRIAN K. HUGHES and MURCHAEL O. TURNER instructed individuals seeking loans to lie in their loan applications about the individuals' income, employment, credit history, and intent to use the loan proceeds to purchase vehicles from defendant PRECIOUS W. HOUSE and Rolling Auto, Inc.

6. It was further part of the scheme that defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, MURCHAEL O. TURNER, and KEITH B. FOSTER knowingly made and caused to be made false statements in automobile and personal loan applications, and in conversations with loan officers, about individuals' income, employment, credit history, and

intent to use the loan proceeds to purchase vehicles from defendant HOUSE and Rolling Auto, Inc.

7. It was further part of the scheme that defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, MURCHAEL O. TURNER, and KEITH B. FOSTER prepared and submitted, and caused to be prepared and submitted, to lenders other fraudulent documents that defendants HOUSE, HUGHES, TURNER, and FOSTER knew would make individuals falsely appear to be qualified for loans, including false paystubs, false W-2 Forms, and false tax statements.

8. It was further part of the scheme that defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, KEITH B. FOSTER, and others obtained and attempted to obtain checks from lenders representing the proceeds of fraudulently obtained loans to purchase automobiles from defendant HOUSE, defendant HOUSE's company, Rolling Auto, Inc., and other companies, including WLA Motors and XPress Automotives, Inc.

9. It was further part of the scheme that, if individuals refused to cash checks obtained through fraud, defendant BRIAN K. HUGHES threatened the individuals with civil lawsuits and criminal prosecutions.

10. It was further part of the scheme that defendant PRECIOUS W. HOUSE deposited and attempted to deposit the proceeds of fraudulently obtained loans into bank accounts controlled by defendant HOUSE in California, Georgia, and Illinois.

2006 Lincoln Navigator

11. It was further part of the scheme that, on or about February 13, 2013, defendant BRIAN K. HUGHES submitted and caused to be submitted an on-line loan application to Great

Lakes Credit Union for Individual WS, which application defendant HUGHES knew falsely stated that Individual WS was employed by Company A with a salary of approximately \$7,826.88 per month.

12. It was further part of the scheme that, on or about February 13, 2013, defendants PRECIOUS W. HOUSE and BRIAN K. HUGHES caused to be prepared and submitted to Great Lakes Credit Union a vehicle purchase order that defendants HOUSE and HUGHES knew falsely stated that Individual WS had agreed to buy a 2006 Lincoln Navigator from Rolling Auto, Inc. for approximately \$14,988.

13. It was further part of the scheme that, on or about February 16, 2013, defendant BRIAN K. HUGHES submitted and caused to be submitted a formal loan application to Great Lakes Credit Union for Individual WS, which application defendant HUGHES knew falsely stated that Individual WS was employed by Company A with a salary of approximately \$7,826.88 per month.

14. It was further part of the scheme that, on or about February 16, 2013, defendant BRIAN K. HUGHES and Individual WS obtained a check from Great Lakes Credit Union in the amount of \$15,000, payable to Individual WS and Rolling Auto Wholesalers, knowing that the check was obtained based on false statements contained in Individual WS's loan application.

15. It was further part of the scheme that, on or about February 16, 2013, defendant BRIAN K. HUGHES threatened to report Individual WS to the police unless Individual WS agreed to give defendant HUGHES the \$15,000 check from Great Lakes Credit Union that defendant HUGHES and Individual WS had fraudulently obtained.

2012 Mercedes E Class

16. It was further part of the scheme that, on or about June 5, 2013, defendant BRIAN K. HUGHES submitted and caused to be submitted an on-line loan application to Great Lakes Credit Union for Individual KB, which loan application defendant HUGHES knew falsely stated that Individual KB was employed by Company B with a salary of approximately \$9,000 per month.

17. It was further part of the scheme that, on or about June 6, 2013, defendants PRECIOUS W. HOUSE and BRIAN K. HUGHES caused to be prepared and submitted to Great Lakes Credit Union a vehicle purchase order that defendants HOUSE and HUGHES knew falsely stated that Individual KB had agreed to buy a 2012 Mercedes E Class from Rolling Auto, Inc. for approximately \$35,131.81.

18. It was further part of the scheme that, on or about June 6, 2013, defendant BRIAN K. HUGHES submitted and caused to be submitted a loan application to Great Lakes Credit Union for Individual KB, which loan application defendant HUGHES knew falsely stated that Individual KB was employed by Company B with a salary of approximately \$9,000 per month.

19. It was further part of the scheme that, on or about June 6, 2013, defendant BRIAN K. HUGHES and Individual KB obtained a check from Great Lakes Credit Union in the amount of \$35,131.81, payable to Individual KB and Rolling Auto, Inc., knowing that Individual KB's loan application contained false statements.

20. It was further part of the scheme that, on or about June 6, 2013, defendant BRIAN K. HUGHES and Individual KB cashed a check from Great Lakes Credit Union in the amount of

approximately \$35,131.81 payable to Rolling Auto, Inc. at a currency exchange in Dolton, Illinois, knowing that this check was obtained based on false statements in Individual KB's loan application.

2009 Mercedes SL 550

21. It was further part of the scheme that, on or about May 30, 2013, defendant BRIAN K. HUGHES submitted and caused to be submitted an on-line loan application to Pentagon Federal Credit Union for Individual KB, which loan application defendant HUGHES knew falsely stated that Individual KB was employed by Company B with a salary of approximately \$9,000 per month.

22. It was further part of the scheme that, on or about June 5, 2013, defendant BRIAN K. HUGHES knowingly submitted and caused false information to be provided over the telephone to a Pentagon Federal Credit Union loan officer, including false statements that Individual KB had been promoted from secretary to supervisor at Company B and that Individual KB intended to purchase a 2012 Mercedes Benz S 500 from Rolling Auto, Inc.

23. It was further part of the scheme that, on or about June 7, 2013, defendants PRECIOUS W. HOUSE and BRIAN K. HUGHES caused to be prepared and submitted to Pentagon Federal Credit Union a vehicle purchase order that defendants HOUSE and HUGHES knew falsely stated that Individual KB had agreed to buy a 2009 Mercedes-Benz SL 550 roadster from Rolling Auto, Inc. for approximately \$50,903.06.

24. It was further part of the scheme that, on or about June 7, 2013, defendant BRIAN K. HUGHES and Individual KB obtained a check from Great Lakes Credit Union in the amount of approximately \$50,903.08 payable to Individual KB and Rolling Auto, Inc., knowing that this check was obtained based on false statements contained in Individual KB's loan application.

25. It was further part of the scheme that, on or about June 10, 2013, defendant BRIAN K. HUGHES told Individual KB that she owed defendant HUGHES a fee equal to 30 percent of the check fraudulently obtained from Pentagon Federal Credit Union and that he would pursue civil and criminal charges against her if she failed to cash the fraudulently obtained check.

26. It was further part of the scheme that, on or about June 19, 2013, defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, and Individual KB cashed a check from Pentagon Federal Credit Union in the amount of approximately \$50,903.08 payable to Rolling Auto, Inc. at a currency exchange in Dolton, Illinois, knowing that the check was obtained based on false statements in Individual KB's loan application.

2008 Jaguar XKR

27. It was further part of the scheme that, on or about June 10, 2013, defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, and KEITH B. FOSTER submitted and caused to be submitted to Great Lakes Credit Union a vehicle purchase order that defendants HOUSE, HUGHES, and FOSTER knew falsely stated that defendant FOSTER had agreed to buy a 2008 Jaguar XKR from Rolling Auto, Inc. for approximately \$30,854.31.

28. It was further part of the scheme that, on or about June 11, 2013, defendants BRIAN K. HUGHES and KEITH B. FOSTER submitted and caused to be submitted a loan

application to Great Lakes Credit Union, which loan application defendants HUGHES and FOSTER knew falsely stated that defendant FOSTER was employed by Company C with a salary of approximately \$8,000 per month.

29. It was further part of the scheme that, on or about June 11, 2013, defendants BRIAN K. HUGHES and KEITH B. FOSTER obtained a check from Great Lakes Credit Union in the amount of approximately \$30,854.31, knowing this check was obtained based on false statements contained in defendant FOSTER's loan application.

30. It was further part of the scheme that, on or about June 11, 2013, defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, and KEITH B. FOSTER cashed a check from Great Lakes Credit Union in the amount of approximately \$30,854.31 payable to Rolling Auto, Inc. at a currency exchange in Dolton, Illinois, knowing that the check was obtained based on false statements in defendant FOSTER's loan application.

31. It was further part of the scheme that, on or about June 12, 2013, defendant KEITH B. FOSTER deposited money orders payable to defendant FOSTER, representing the proceeds of the check from Great Lakes Credit Union, into two separate bank accounts that defendant FOSTER controlled.

2011 Nissan Infiniti M37

32. It was further part of the scheme that, on or about June 13, 2013, defendant MURCHAEL O. TURNER submitted and caused to be submitted a loan application to Sherwin-Williams Credit Union for Individual MB, which loan application defendant TURNER knew falsely stated that Individual MB was employed by BCM Turner Enterprises, Inc., a company controlled by defendant TURNER, with a salary of approximately \$800 per week.

33. It was further part of the scheme that, on or about June 18, 2013, defendant MURCHAEL O. TURNER caused to be prepared and submitted to Sherwin-Williams Credit Union a verification of employment that defendant TURNER knew falsely stated that Individual MB was employed by BCM Turner Enterprises, Inc. with an annual salary of approximately \$89,040.

34. It was further part of the scheme that, on or about June 19, 2013, defendants PRECIOUS W. HOUSE and MURCHAEL O. TURNER caused to be prepared and submitted to Sherwin-Williams Credit Union a vehicle purchase order that defendants HOUSE and TURNER knew falsely stated that Individual MB had made a down payment of approximately \$7,700 to purchase a 2011 Infiniti M37 from Rolling Auto, Inc. for approximately \$37,619.51.

35. On or about June 24, 2013, defendant PRECIOUS W. HOUSE obtained a check from Sherwin-Williams Credit Union in the amount of approximately \$29,919.51 and deposited the check into a bank account for Rolling Auto, Inc. that defendant HOUSE controlled, knowing that the check was obtained based on false statements in Individual MB's loan application.

36. It was further part of the scheme that defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, MURCHAEL O. TURNER, and KEITH B. FOSTER concealed, misrepresented, and hid, and caused to be concealed, misrepresented, and hidden, the existence and purpose of the scheme, and acts done in furtherance of the scheme.

37. It was further part of the scheme that defendants PRECIOUS W. HOUSE, BRIAN K. HUGHES, MURCHAEL O. TURNER, and KEITH B. FOSTER obtained and used the proceeds of the scheme for themselves and others, knowing that the proceeds were obtained based on false statements in loan applications.

38. On or about February 16, 2013, at Country Club Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

PRECIOUS W. HOUSE and
BRIAN K. HUGHES,

defendants herein, knowingly executed and attempted to execute the scheme by causing a check for approximately \$15,000 to be issued by Great Lakes Credit Union, in the name of Rolling Auto Wholesalers and Individual WS;

In violation of Title 18, United States Code, Section 1344.

COUNT TWO

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in Paragraph 1 through 37 of Count One are incorporated here.
2. On or about June 6, 2013, at Country Club Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

PRECIOUS W. HOUSE and
BRIAN K. HUGHES,

defendants herein, knowingly executed and attempted to execute the scheme by causing a check for approximately \$35,131.81 to be issued by Great Lakes Credit Union, in the name of Rolling Auto, Inc. and Individual KB;

In violation of Title 18, United States Code, Section 1344.

COUNT THREE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in Paragraph 1 through 37 of Count One are incorporated here.
2. On or about June 7, 2013, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

PRECIOUS W. HOUSE and
BRIAN K. HUGHES,

defendants herein, knowingly executed and attempted to execute the scheme by causing a check for approximately \$50,903.08 to be issued by Pentagon Federal Credit Union, in the name of Rolling Auto Inc. and Individual KB;

In violation of Title 18, United States Code, Section 1344.

COUNT FOUR

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in Paragraph 1 of Count One are incorporated here.
2. On or about June 11, 2013, at Matteson, in the Northern District of Illinois, Eastern Division, and elsewhere,

PRECIOUS W. HOUSE,
BRIAN K. HUGHES, and
KEITH B. FOSTER,

defendants herein, knowingly made a false statement and report, namely, a false statement that defendant FOSTER had gross employment income of approximately \$9,747 per month, for the purpose of influencing the action of a privately insured credit union chartered under the laws of the State of Illinois, namely, Credit Union 1, upon any application, purchase, purchase agreement, and commitment, namely, a loan application for defendant FOSTER in the amount of approximately \$31,176.11;

In violation of Title 18, United States Code, Sections 1014 and 2.

COUNT FIVE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in Paragraph 1 through 37 of Count One are incorporated here.
2. On or about June 11, 2013, at Country Club Hills, in the Northern District of Illinois, Eastern Division, and elsewhere,

PRECIOUS W. HOUSE,
BRIAN K. HUGHES, and
KEITH B. FOSTER,

defendants herein, knowingly executed and attempted to execute the scheme by causing a check for approximately \$30,854.31 to be issued by Great Lakes Credit Union, in the name of Rolling Auto Inc. and Keith R. Foster;

In violation of Title 18, United States Code, Section 1344.

COUNT SIX

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in Paragraph 1 through 37 of Count One are incorporated here.
2. On or about June 21, 2013, at South Holland, in the Northern District of Illinois, Eastern Division, and elsewhere,

PRECIOUS W. HOUSE and
MURCHAE L O. TURNER,

defendants herein, knowingly executed and attempted to execute the scheme by causing a check for approximately \$29,919.51 to be issued by Sherwin-Williams Credit Union, in the name of Rolling Auto Inc.;

In violation of Title 18, United States Code, Section 1344.

FORFEITURE ALLEGATION

The SPECIAL AUGUST 2012 GRAND JURY alleges:

1. The allegations of Counts One through Six of this indictment are incorporated here for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section 982(a)(2).

2. As a result of their violations as alleged in Counts One through Six of the foregoing indictment,

PRECIOUS W. HOUSE,
BRIAN K. HUGHES,
MURCHAEL O. TURNER, and
KEITH B. FOSTER,

defendants herein, shall forfeit to the United States, any and all right, title, and interest they may have in any property, real and personal, which constitutes and is derived from proceeds traceable to the offenses charged in Counts One through Six.

3. The interests of the defendants subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(2), include, but are not limited to, funds in the amount of approximately \$914,511.75 and any property constituting, derived from, and traceable to, the proceeds that the defendants obtained directly or indirectly as a result of the offense.

4. If any of the forfeitable property described above, as a result of any act or omission by the 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 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 982(a)(2).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY