

provided that debtors could obtain a fresh financial start through the discharge of some types of debt. A debtor that received a discharge had no further legal obligation to pay any debt that was discharged.

d. A debtor that filed a Chapter 7 bankruptcy petition was required by law to fully disclose any and all interests he might have in any type of assets, including all real property and personal property, whether or not the assets were held in the debtor's name, held in the name of another person for the benefit of the debtor, or held as collateral. The debtor was also required to disclose all liabilities and debts owed to creditors. The assets and liabilities of the debtor comprised what was called the debtor's "bankruptcy estate."

e. A debtor's assets, liabilities, and other information were required to be listed in various "schedules" and a "statement of financial affairs." The debtor was required to sign declarations of the accuracy of the schedules and statement of financial affairs under penalty of perjury. The schedules and statement of financial affairs were required to be filed with the Bankruptcy Court.

f. The United States Trustee supervised the administration of bankruptcy cases. Upon the filing of a Chapter 7 bankruptcy petition, the United States Trustee appointed a person to act as the trustee for the debtor's bankruptcy estate. The United States Trustee also supervised these

trustees. The appointed trustee was responsible for the administration of the debtor's bankruptcy estate, including the liquidation of the debtor's property, if any, and the distribution of a pro rata share of the proceeds from the property to the debtor's creditors.

g. After a Chapter 7 bankruptcy petition was filed, the debtor was required to appear at a meeting known as a "341 meeting." At the 341 meeting, the debtor was required to testify under oath in response to relevant questions by the trustee and creditors.

2. On August 11, 2009, defendant Lynn Y. Zoiopoulos, caused a bankruptcy petition, schedules, and a statement of financial affairs to be filed with the Bankruptcy Court for the Western Division of the Northern District of Illinois in Rockford, Illinois. The case was titled *In re: Lynn Y. Zoiopoulos* and was assigned case number 09-73371.

3. On or about August 11, 2009, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LYNN Y. ZOIPOULOS,
also known as Lynn Shelton-Zoiopoulos,
Lynn Y. Shelton, Lynn Yenke, Lynn Yenke Zoiopoulos,
Lynn Yenke Shelton-Zoiopoulos, and Lynn Zoiopoulos,

defendant herein, knowingly and fraudulently made a material false declaration, verification, and statement under penalty of perjury, as permitted under section 1746 of Title 28, in and in relation to a case under

Title 11, specifically *In re: Lynn Y. Zoiopoulos*, case number 09 B 73371, in that defendant Lynn Y. Zoiopoulos fraudulently stated that the Statement of Financial Affairs she filed in the bankruptcy case were true and correct to the best of her knowledge, information, and belief, in that in response to Question 14 on the Statement of Financial Affairs, which required the defendant to “[l]ist all property owned by another person that the debtor holds or controls,” defendant answered “None,” when in truth and fact, as the defendant then well knew, she held and controlled Allianz Annuity Policy No. 70685579, a Samurai sword, and an antique rifle with a bayonet, all of which was the property of the Estate of Martha C. Yenko;

In violation of Title 18, United States Code, Section 152(3).

COUNT TWO

The MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 and 2 of Count One of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about August 11, 2009, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LYNN Y. ZOIPOULOS,
also known as Lynn Shelton-Zoiopoulos,
Lynn Y. Shelton, Lynn Yenke, Lynn Yenke Zoiopoulos,
Lynn Yenke Shelton-Zoiopoulos, and Lynn Zoiopoulos,

defendant herein, knowingly and fraudulently made a material false declaration, verification, and statement under penalty of perjury, as permitted under section 1746 of Title 28, in and in relation to a case under Title 11, specifically *In re: Lynn Y. Zoiopoulos*, case number 09 B 73371 in that defendant Lynn Y. Zoiopoulos fraudulently stated that the Schedules she filed in the bankruptcy case were true and correct to the best of her knowledge, information, and belief, in that she answered “None” in response to Question 20 on Schedule B, which required the defendant to list all “contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust,” when in fact, as the defendant then well knew, she had an interest in the Estate of Martha C. Yenke;

In violation of Title 18, United States Code, Section 152(3).

COUNT THREE

The MARCH 2013 GRAND JURY further charges:

1. At times material to this Indictment
 - a. Defendant Lynn Y. Zoiopoulos, a/k/a Lynn Shelton-Zoiopoulos, Lynn Y. Shelton, Lynn Yenko, Lynn Yenko Zoiopoulos, Lynn Yenko Shelton-Zoiopoulos, and Lynn Zoiopoulos, was a resident of Rockford, Illinois. Defendant was the granddaughter of Martha Elizabeth Yenko, also known as Martha C. Yenko. Martha Elizabeth Yenko died on or about March 28, 2001.
 - b. Defendant served as the Executor of the Estate of Martha Elizabeth Yenko, also known as Martha C. Yenko (the Estate), which was case number 63-01-0701 in the Orphans' Court Division of the Court of Common Pleas of Washington County, Pennsylvania.
 - c. As Executor, the defendant owed a fiduciary duty to the Estate and beneficiaries of the Estate.
 - d. Under Pennsylvania law, the defendant was required to:
 - i. file a verified inventory of all real and personal property of a decedent with the Register of Wills;
 - ii. file an accounting with the Register of Wills;
 - iii. file status reports; and
 - iv. file any inheritance tax return that is required.

e. The defendant and her sister were beneficiaries of the Estate and each was entitled to one-half of the Estate assets after payment of creditors and other Estate expenses.

f. Allianz Life Insurance Company of North America annuity contract number *****579 (the Annuity), was an asset of the Estate.

g. The bankruptcy case titled *In re: Lynn Y. Zoiopoulos*, case number 09-73371, was opened in the Bankruptcy Court for the Western Division of the Northern District of Illinois in Rockford, Illinois after the defendant filed a Chapter 7 bankruptcy petition and related documents. A Trustee was appointed to administer the bankruptcy case.

2. Beginning not later than October 9, 2008, and continuing to on or about November 13, 2012, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LYNN Y. ZOIPOULOS,
also known as Lynn Shelton-Zoiopoulos,
Lynn Y. Shelton, Lynn Yenke, Lynn Yenke Zoiopoulos,
Lynn Yenke Shelton-Zoiopoulos, and Lynn Zoiopoulos,

defendant herein, devised, intended to devise and participated in a scheme and artifice to defraud the Estate and a beneficiary of the Estate, and to obtain money and property by means of materially false and fraudulent pretenses, promises and representations, and the concealment of material

facts, which fraudulent scheme is more fully described in the following paragraphs.

3. It was a part of the scheme to defraud that the defendant embezzled, misappropriated, and converted hundreds of thousands of dollars of assets of the Estate of Martha C. Yenko for the defendant's personal use and benefit.

4. As a further part of the scheme to defraud, defendant withdrew hundreds of thousands of dollars from the Annuity and used the money for her personal benefit

5. As a further part of the scheme to defraud, defendant concealed her embezzlement of Estate assets by not filing the required inventory, accounting, tax returns, and status reports for the Estate.

6. As a further part of the scheme to defraud, the defendant concealed the scheme when she falsely asserted to the Trustee of her bankruptcy case that the remainder of the Estate's assets were earmarked for her sister.

7. As a further part of the scheme to defraud, in or about October 2008, defendant falsely represented to her sister, a beneficiary of the Estate, that the defendant had invested the rest of the Estate money in government T bills and government backed securities for their safety, until she could pay the estate taxes and estimated expenses for Martha Yenko's funeral.

8. As a further part of the scheme to defraud, in or about October 2008, defendant transmitted \$35,000 to her sister in order to lull the sister into believing defendant was properly administering the Estate for her sister's benefit.

9. On or about November 16, 2009, in the Northern District of Illinois, Western Division, and elsewhere

LYNN Y. ZOIPOULOS,
also known as Lynn Shelton-Zoiopoulos,
Lynn Y. Shelton, Lynn Yenke, Lynn Yenke Zoiopoulos,
Lynn Yenke Shelton-Zoiopoulos, and Lynn Zoiopoulos,

defendant herein, for the purpose of executing the scheme and attempting to do so, knowingly caused to be delivered by United States mail, according to the direction thereon to Rockford, Illinois, an envelope addressed to the defendant which contained Allianz check no. 0008622487 payable to her, which check represented assets of the Estate;

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

COUNT FOUR

The MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count Three of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about July 22, 2011, in the Northern District of Illinois, Western Division, and elsewhere

LYNN Y. ZOIPOULOS,
also known as Lynn Shelton-Zoiopoulos,
Lynn Y. Shelton, Lynn Yenke, Lynn Yenke Zoiopoulos,
Lynn Yenke Shelton-Zoiopoulos, and Lynn Zoiopoulos,

defendant herein, for the purpose of executing the scheme and attempting to do so, knowingly caused to be delivered by United States mail, according to the direction thereon to Rockford, Illinois, an envelope addressed to the defendant which contained Allianz check no. 0001508009 payable to the Trustee of the defendant's bankruptcy case and the defendant, which check represented assets of the Estate;

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

COUNT FIVE

The MARCH 2013 GRAND JURY further charges:

1. Paragraphs 1 through 8 of Count Three of this Indictment are re-alleged and incorporated as if fully repeated here.

2. On or about November 5, 2012, in the Northern District of Illinois, Western Division, and elsewhere

LYNN Y. ZOIPOULOS,
also known as Lynn Shelton-Zoiopoulos,
Lynn Y. Shelton, Lynn Yenke, Lynn Yenke Zoiopoulos,
Lynn Yenke Shelton-Zoiopoulos, and Lynn Zoiopoulos,

defendant herein, for the purpose of executing the scheme and attempting to do so, knowingly caused to be delivered by United States mail, according to the direction thereon to Chicago, Illinois, an envelope addressed to the defendant which contained Allianz check no. 0009190455 payable to the defendant, which check represented assets of the Estate;

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

FORFEITURE ALLEGATION

The MARCH 2013 GRAND JURY further charges:

1. The allegations of this indictment are incorporated here for the purpose of alleging forfeiture under Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461 (c).

2. As a result of the violation of Title 18, United States Code, Section 1341, as alleged in the indictment,

LYNN Y. ZOIPOULOS,
also known as Lynn Shelton-Zoiopoulos,
Lynn Y. Shelton, Lynn Yenke, Lynn Yenke Zoiopoulos,
Lynn Yenke Shelton-Zoiopoulos, and Lynn Zoiopoulos,

defendant herein, has subjected to forfeiture to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(c) and Title 28, United States Code, Section 2461 (c), all property constituting, and derived from, proceeds obtained, directly or indirectly, as a result of the defendants' violation of Title 18, United States Code, Section 1341, including, but not limited to, approximately \$617,170.00.

3. 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;

It is the intent of the United States, pursuant to provisions of Title 21, United States Code 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of substitute property belonging to the defendant;

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY