

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	
)	Violations: Title 18, United States
ALBERTO B. COLÓN and)	Code, Sections 1341 and 1343
ARTEMIO RIVERA)	

COUNT ONE

The SPECIAL SEPTEMBER 2014 GRAND JURY charges:

1. At times material to this indictment:
 - a. The Commercial or Residential Development Group, Inc., which referred to itself as COR, was incorporated and did business in the State of Illinois.
 - b. Defendant ALBERTO B. COLÓN was the chief executive officer, director of operations, and chairman of the board of COR.
 - c. Defendant ARTEMIO RIVERA was the treasurer and chief corporate counsel of COR.
 - d. Victims A, B, and C were business owners in Arizona, Colorado, and New Jersey who were seeking funds for business-related projects.
2. Beginning not later than September 2008, and continuing through at least December 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALBERTO B. COLÓN and
ARTEMIO RIVERA,

defendants herein, along with others, devised and intended to devise, and participated in a scheme to defraud and to obtain money from business owners, including Victims A, B, and C and others, by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, which scheme is further described below.

3. It was part of the scheme that defendants ALBERTO B. COLÓN, ARTEMIO RIVERA, and others fraudulently obtained fees of approximately \$2 million from approximately 125 business owners across the United States by making and causing to be made materially false representations, including false representations that COR had billions of dollars in assets and would: (a) provide the business owners with billions of dollars in funding; (b) provide the funding within a specific time period; (c) use the fees for specific purposes related to the business owners' requests; and (d) refund the fees if COR failed to provide funding.

4. It was further part of the scheme that defendants ALBERTO B. COLÓN and ARTEMIO RIVERA falsely and fraudulently represented, and caused to be represented, that COR and its employees had billions of dollars in assets and a perfect success rate over six years of funding business owners' projects when, as defendants COLÓN and RIVERA knew, neither they nor COR had such assets nor such a history of funding business owners' projects.

5. It was further part of the scheme that defendants ALBERTO B. COLÓN and ARTEMIO RIVERA solicited and caused others, including individuals whom defendants COLÓN and RIVERA sometimes referred to as "rangers," to solicit business owners to apply for billions of dollars in funding from COR when, as defendants COLÓN and RIVERA knew, COR had not secured funding commitments for the business owners' projects.

6. It was further part of the scheme that, after receiving requests for funding, defendants ALBERTO B. COLÓN and ARTEMIO RIVERA falsely and fraudulently represented, and caused to be represented, to the business owners that COR had approved their requests for funding in amounts ranging from approximately \$100 million to \$1.2 billion when, as defendants COLÓN and RIVERA knew, COR had not secured funding for the business owners' projects.

7. It was further part of the scheme that defendants ALBERTO B. COLÓN and ARTEMIO RIVERA falsely and fraudulently represented, and caused to be represented, to the business owners that, if they signed so-called "Project Partner Agreements" and paid an advance fee of \$20,000, then COR would apply the advance fee towards the creation of a new corporation, trust, and foundation to accept funding from COR when, in fact, defendants COLÓN and RIVERA failed to apply all of the business owners' funds towards those purposes.

8. It was further part of the scheme that defendants ALBERTO B. COLÓN and ARTEMIO RIVERA falsely and fraudulently represented, and caused to be represented, to the business owners that, if the business owners signed Project Partner Agreements, COR would contribute an additional \$80,000 towards the creation of a new corporation, trust, and foundation to accept funding from COR when, in fact, defendants COLÓN and RIVERA failed to apply \$80,000 of COR's funds on behalf of each project partner towards those purposes.

9. It was further part of the scheme that defendants ALBERTO B. COLÓN and ARTEMIO RIVERA falsely and fraudulently represented, and caused to be represented, to the borrowers that they would refund the fees if COR failed to fund the projects when, as defendants COLÓN and RIVERA knew, they did not have the funds to provide such refunds.

10. It was further part of the scheme that defendant ALBERTO B. COLÓN falsely and fraudulently represented, and caused to be represented, to the borrowers, via phone conversations, e-mails, and posts on an limited-access computer messaging network known as “Groove,” that: (a) COR had already begun distributing funds to certain business owners; and (b) COR would provide other business owners with funding within the next several hours to the next several weeks.

11. It was further part of the scheme that defendant ALBERTO B. COLÓN testified before the Illinois Department of Securities, or IDS, on or about July 8, 2011 and on or about August 10, 2011, and, defendant COLÓN admitted facts, including that: (a) COLÓN was business partners with defendant ARTEMIO RIVERA; (b) COR had accepted advance fees from more than 120 business owners; (c) COLÓN and others associated with COR used e-mails and the Groove messaging network to communicate with the business owners; and (d) COLÓN conceived the idea of utilizing recruiters, or rangers, to locate business owners from which COR obtained advance fees, but COLÓN attempted to allay suspicions about the scheme by falsely and fraudulently testifying that, among other things: (1) COR spent between \$10,000 and \$80,000 on behalf of each business owner to develop funding for their projects; (2) COR had \$1 billion available to fund the business owners’ projects; (3) COR would, upon request, immediately refund any business owner’s advance fee; (4) COR would refund Victim B’s advance fee with reasonable interest; and (5) representatives from COR were in regular contact with certain United States senators, who were providing COR with advice, information, and support.

12. It was further part of the scheme that defendant ARTEMIO RIVERA testified before the Illinois Department of Securities, or IDS, on or about August 10, 2011, and defendant RIVERA admitted facts, including that the business owners were told that COR would fund their projects and would refund their advance fees upon request, but defendant RIVERA attempted to allay suspicions about the scheme by falsely and fraudulently testifying that, among other things: (a) COR had sufficient assets to fund all of the business owners' projects; (b) any business owner could, in fact, receive a refund within thirty days of the deposition; and (c) COR would refund Victim B's advance fee.

13. It was further part of the scheme that defendants ALBERTO B. COLÓN and ARTEMIO RIVERA caused business owners to pay the advance fees by transferring funds to bank accounts that defendant RIVERA controlled, failed to use all of the fees paid by the business owners for the purposes they represented, and, instead, used the money for personal purposes, including more than \$1,100,000 in so-called "loans" to themselves and others.

14. It was further part of the scheme that neither defendants ALBERTO B. COLÓN, ARTEMIO RIVERA, nor COR funded any of the business owners' projects, despite having collected at least \$2 million in fees and having promised to refund the fees, upon request, if COR failed to perform.

15. On or about December 8, 2009, at Hoffman Estates, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALBERTO B. COLÓN and
ARTEMIO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, a transfer through the Federal Reserve System of approximately \$20,000 to defendant RIVERA's account at Citibank in Virginia, which transfer of funds represented advance fees paid by Victim A to obtain funding that was never provided by COLÓN, RIVERA, and COR;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 through 14 of Count One are incorporated here.
2. On or about August 31, 2010, at Hoffman Estates, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALBERTO B. COLÓN and
ARTEMIO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, a transfer through the Federal Reserve System of approximately \$10,000 to the Commercial or Residential Development Group, Inc. account at Citibank in Virginia, which transfer of funds represented advance fees paid by Victim B to obtain funding that was never provided by COLÓN, RIVERA, and COR;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 through 14 of Count One are incorporated here.
2. On or about September 15, 2010, at Hoffman Estates, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALBERTO B. COLÓN and
ARTEMIO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an e-mail from defendant RIVERA to defendant COLÓN and Victim B confirming receipt of two \$10,000 payments from Victim B to COR Development Group, Inc.,

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 through 14 of Count One are incorporated here.
2. On or about November 2, 2010, at Hoffman Estates, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALBERTO B. COLÓN and
ARTEMIO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, a transfer through the Federal Reserve System of approximately \$20,000 to the Commercial or Residential Development Group, Inc. account at Citibank in Virginia, which transfer of funds represented advance fees paid by Victim C to obtain funding that was never provided by COLÓN, RIVERA, and COR;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE

The SPECIAL SEPTEMBER 2014 GRAND JURY further charges:

1. The allegations of Paragraphs 1 through 14 of Count One are incorporated here.
2. On or about November 16, 2011, at Hoffman Estates, in the Northern District of Illinois, Eastern Division, and elsewhere,

ALBERTO B. COLÓN and
ARTEMIO RIVERA,

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be delivered by mail, according to the directions thereon, a letter addressed to defendants COLÓN and RIVERA at 3 Gold Center #315 in Hoffman Estates, which letter contained a demand by Victim C for the return of the funds that Victim C paid to COR;

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

FORFEITURE ALLEGATION

The SPECIAL SEPTEMBER 2014 GRAND JURY alleges:

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

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

ALBERTO B. COLÓN and
ARTEMIO RIVERA,

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 Five.

3. The interests of the defendants subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1) include, but are not limited to, funds in the amount of approximately \$2,000,000 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 981.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY