

12/17/2024

**AXK**

THOMAS G. BRUTON  
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA

V.

WILLIAM SCHNEIDER

24cr600

Judge Kennelly

No. Magistrate Judge Appenteng  
RANDOM / Cat. 3

Violations: Title 18, United States Code, Sections 1341, 1343, and 1346

**COUNT ONE**

The SPECIAL MAY 2024 GRAND JURY charges:

1. At times material to this indictment:
  - a. Nonprofit A was a nonprofit organization whose mission included developing and providing affordable housing to low-income residents and senior citizens. Nonprofit A was established and headquartered in Illinois.
  - b. Defendant WILLIAM SCHNIEDER was employed as the full-time Executive Director of Nonprofit A. As Executive Director, defendant was responsible for all aspects of Nonprofit A's mission and operations, including supervising its staff, contractors, and vendors, overseeing potential and actual project developments, and ensuring the financial security of its assets.
  - c. Nonprofit A, through an affiliate, owned and operated a senior living facility in Northlake, Illinois. The rooftop of that building was valuable real estate because it was a good location for a cell phone tower to be erected and operated (the "Rooftop Cell Tower Interest"). Nonprofit A leased part of the Rooftop Cell Tower

Interest to a cellular phone company in exchange for the payment of rent to Nonprofit A (the “Cell Tower Lease”).

d. Nonprofit A, through its affiliates, owned and operated other low-income and senior housing developments, including the Calumet Park Development, the Richton Park Development, the Plateau Village Development, the Victoria Crossing Development, and the Matteson Development.

e. Brokerage Firm A was a real estate brokerage firm. Brokerage Firm A acted as the exclusive and dual agent for both Nonprofit A’s affiliate (as seller) and the third-party buyer in the sale of the Matteson Development by Nonprofit A’s affiliate, which sale closed in or about February 2022.

f. Consultant A and Consultant B were Florida-based consultants who provided services to Nonprofit A.

g. Architectural Firm A was an architectural firm that provided design and other services to Nonprofit A and its affiliates for the Plateau Village Development and the Victoria Crossing Development.

h. The Victoria Crossing Development had a commercial billboard located on its property that was operated by an advertising company in exchange for rental payments by the advertising company.

i. Separate from his role at Nonprofit A, defendant personally formed and/or controlled the following for-profit entities:

i. Homestart Development Services, LLC (“Homestart”), an Illinois corporation formed in or about 2021, of which defendant was the sole manager and member;

ii. Strategic Concepts, Inc. (“Strategic”), an Illinois corporation formed under the name of defendant’s wife and listing defendant’s home address; and

iii. Brevard Development, LLC (“Brevard”), a Florida corporation formed in or about 2018, of which Strategic and Consultant A were equal members.

2. Beginning in or about 2018, and continuing until in or about August 2022, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud Nonprofit A and its affiliates of money and property, by means of materially false and fraudulent pretenses, representations, and promises, and of the intangible right to honest services, as further described below.

3. It was part of the scheme that defendant knowingly embezzled millions of dollars in money and real estate interests belonging to Nonprofit A and its affiliates. Defendant’s scheme included, among other things: (1) using entities he controlled—including Homestart, Strategic, and Brevard—to conceal the fraudulent transfers of money and real estate interests to himself; (2) fabricating documents of Nonprofit A to falsely reflect that those transfers had been approved or were

otherwise authorized; and (3) soliciting and obtaining kickbacks and/or bribes from Brokerage Firm A and Architectural Firm A.

*Defendant's Embezzlements through Homestart*

4. It was further part of the scheme that defendant fabricated documents, including by obtaining signatures of board members of Nonprofit A under false pretenses, to falsely reflect that Nonprofit A authorized defendant's formation of Homestart and the transfer of money and property to Homestart.

5. It was further part of the scheme that, on or about November 26, 2021, defendant caused the office manager of Nonprofit A to make a direct deposit payment to Homestart for \$250,000. Defendant falsely told the office manager that the payment was a loan to Homestart, and he provided the office manager with a fabricated "promissory note" as support for the payment. The terms of that purported loan provided for interest of zero percent and re-payments of only \$100 per year, and they allowed for forgiveness of the loan after 40 years. As defendant knew, that \$250,000 payment to Homestart was not an actual loan, was not authorized by Nonprofit A's board of directors, and was for defendant's personal benefit.

6. It was further part of the scheme that, from in or about November 2021 to August 2022, defendant caused the office manager of Nonprofit A to issue approximately ten payments to Homestart totaling approximately \$80,000. As support for those payments, defendant provided the office manager with invoices from Homestart, which falsely stated that the payments were "sub-developer fees," and with copies of purported "Subdevelopment Agreements" between Nonprofit A and

Homestart. In fact, as defendant knew, Nonprofit A's board of directors did not authorize any such agreements or payments, no fees were owed to Homestart or defendant for any purported "sub-developer" work, and those payments were for defendant's personal benefit.

7. It was further part of the scheme that to conceal the payments to Homestart as a purported "loan" and as purported "sub-developer fees," defendant directed the office manager of Nonprofit A to make those payments through Nonprofit A's payroll system. Specifically, as defendant knew and intended, Nonprofit A's chief operating officer did not have access to the payroll account and thus would not know about those payments.

8. It was further part of the scheme that, in or about early 2022, defendant purported to cause Nonprofit A to assign its interest as lessor in the Northlake Cell Tower Lease to Homestart in exchange for no money or other payment or consideration. As defendant knew, that assignment was not authorized by Nonprofit A's board of directors, and it was for defendant's personal benefit.

9. It was further part of the scheme that, on or about July 14, 2022, defendant purported to cause Nonprofit A's affiliate to enter into a 99-year lease with Homestart by which Homestart received the Rooftop Cell Tower Interest. As defendant knew, that lease was not authorized by Nonprofit A's board of directors, and it was for defendant's personal benefit. To conceal that transaction from the board of directors, defendant signed the lease for both parties—first, on behalf of

Nonprofit A's Northlake affiliate (as lessor), and second, on behalf of Homestart (as lessee).

10. It was further part of the scheme that, also on or about July 14, 2022, defendant caused Homestart to sell the Rooftop Cell Tower Interest to a third-party real estate company for approximately \$500,000. The net proceeds of that sale went to defendant and his designated beneficiary. As defendant knew, that transaction was not authorized by Nonprofit A's board of directors and any proceeds rightly belonged to Nonprofit A. To conceal that he had a personal financial interest in that transaction, defendant stated to a representative of the third-party real estate company that Homestart was an "affiliated entity" of Nonprofit A, which statement defendant knew to be false.

11. It was further part of the scheme that defendant caused Nonprofit A to authorize the assignment of 100% of its general partner's interest in the Calumet Park Development to Homestart and 49% of its general partner's interests in numerous other developments to Homestart in exchange for only \$100 per development. As support for those assignments, defendant fabricated board meeting minutes and a board resolution of Nonprofit A purporting to authorize those transactions. In fact, as defendant knew, those assignments were not authorized by Nonprofit A's board of directors, and they were for defendant's personal benefit.

12. It was further part of the scheme that, in or about February 2022, defendant began working with Brokerage Firm A to market the Calumet Park Development for sale, intending that the net proceeds go to him personally.

Defendant told a broker at Brokerage Firm A that the property was worth over \$4 million and should be easy to sell for that amount.

13. It was further part of the scheme that, in or about April 2022, defendant acquired the limited partner's interest in the Calumet Park Development. In combination with defendant's assignment to himself of Nonprofit A's interest as a general partner, defendant would thus control 100% of that development, which would result in defendant obtaining all the proceeds from any sale of that development.

14. It was further part of the scheme that defendant thereafter continued to work with Brokerage Firm A in an effort to sell the Calumet Park Development to a third party for his own benefit until he was terminated by Nonprofit A in August 2022.

*Defendant's Embezzlements through Strategic*

15. It was further part of the scheme that, on or about July 7, 2021, defendant caused the office manager of Nonprofit A to issue a check to Strategic for approximately \$27,500 from an account for the Richton Park Development. As support for that payment, defendant provided the office manager with an invoice from Strategic, which falsely stated that the payment was for "consulting services, zoning, entitlement and project implementation." In fact, as defendant knew, Strategic did not provide any consulting or other services in connection with the Richton Park Development, neither Strategic nor defendant were entitled to any fees as a result of

that transaction, Nonprofit A's board of directors did not authorize any such payment, and that payment was for defendant's personal benefit.

16. It was further part of the scheme that, on or about August 20, 2021, defendant caused a check to be issued to Strategic for approximately \$25,920 out of the closing proceeds for the purchase and funding of the Plateau Village Development. As defendant knew and intended, that payment to Strategic caused Nonprofit A's developer fee for that development to be reduced by that same amount. As purported support for that payment to Strategic, defendant caused an invoice from Strategic to be provided to the closing agent, which falsely stated that Strategic was entitled to a "Buyer's Broker Fee" equal to 3% of the purchase price for the property. In fact, as defendant knew, Strategic did not act as a broker for the purchase of the Plateau Village Development property, neither Strategic nor defendant were entitled to any fees as a result of that transaction, Nonprofit A's board of directors did not authorize any such payment, and that payment was for defendant's personal benefit.

17. It was further part of the scheme that, on or about October 21, 2021, defendant caused a check to be issued to Strategic for approximately \$36,000 out of the closing proceeds for the purchase and funding of the Victoria Crossing Development. As defendant knew and intended, that payment to Strategic caused Nonprofit A's developer fee for that transaction to be reduced by that same amount. As purported support for that payment to Strategic, defendant caused the settlement statement to falsely describe that payment as a "Developer Fee." In fact, as defendant knew, Strategic did not act as a developer of the Victoria Crossing Development,



neither Strategic nor defendant were entitled to any fees as a result of that transaction, Nonprofit A's board of directors did not authorize any such payment, and that payment was for defendant's personal benefit.

18. It was further part of the scheme that, on or about February 18, 2022, defendant caused a check to be issued to Strategic for approximately \$22,500 out of the closing proceeds from the sale of the Matteson Development, which payment was debited against the net sales proceeds otherwise payable to Nonprofit A's affiliate. As support for that payment to Strategic, defendant created an invoice from Strategic to Nonprofit A's affiliate, which falsely stated that Strategic was entitled to 3% of the sale price for "Buyer's Brokerage services for closing" on the sale of that property and "Consulting services for project implementation." Defendant also caused the settlement statement to falsely describe the payment to Strategic as an "Additional Commission." In fact, as defendant knew, Brokerage Firm A was the exclusive and dual agent for both the seller (Nonprofit A's affiliate) and the third-party buyer of that development, Strategic did not act as the buyer's broker or perform any other services with respect to that transaction, and neither Strategic nor defendant were entitled to any fees or commission as a result of that transaction. Additionally, as defendant knew, Nonprofit A's board of directors did not authorize any such payment, and the payment to Strategic was for defendant's personal benefit.

*Defendant's Kickback from Brokerage Firm A*

19. It was further part of the scheme that, in or about Summer 2021, defendant chose Brokerage Firm A to act as the broker for the marketing and sale of

the Matteson Development by Nonprofit A's affiliate, and defendant signed the exclusive listing agreement with Brokerage Firm A on behalf of Nonprofit A's affiliate. The listing agreement entitled Brokerage Firm A to a commission equal to 6% of the purchase price.

20. It was further part of the scheme that defendant required Brokerage Firm A to agree to pay him a kickback equal to 1% of the purchase price in exchange for hiring Brokerage Firm A as the exclusive broker for the sale of the Matteson Development.

21. It was further part of the scheme that, on or about February 21, 2022, after the closing of the sale of the Matteson Development, Brokerage Firm A sent defendant a check made payable to defendant personally for approximately \$7,085 as the previously agreed kickback amount. To conceal that kickback, defendant caused that payment to be falsely described as a "commission" to defendant as a "cooperating broker." In fact, as defendant knew, he was not a broker for that transaction and was not entitled to any commission.

*Defendant's Embezzlements and Kickbacks/Bribes through Brevard*

22. It was further part of the scheme that, in or about 2020, defendant chose Architectural Firm A to act as the architect for the Plateau Village Development and the Victoria Crossing Development. For each of those developments, defendant signed contracts with Architectural Firm A on behalf of Nonprofit A's affiliates. Those two contracts provided for hundreds of thousands of dollars in fees to be paid to Architectural Firm A. Those fees were based, in part, on the number of units to be

built for each development, which were 72 units for Plateau Village and 96 units for Victoria Crossing.

23. It was further part of the scheme that defendant required Architectural Firm A to agree to pay kickbacks/bribes in exchange for hiring Architectural Firm A. The kickbacks/bribes were to be equal to \$250 per unit for each of the developments. To conceal those kickbacks/bribes, defendant directed that the payments be made to Brevard.

24. It was further part of the scheme that, on or about October 22, 2020, Architectural Firm A issued a check to Brevard for \$18,000, which was equivalent to \$250 per unit, as the kickback/bribe for the Plateau Village Development contract. To conceal that kickback/bribe, the check was falsely described as being for “site plan design” by Brevard. In fact, as defendant knew, Brevard did not provide any site plan design or other services to Architectural Firm A, and neither Brevard nor defendant was entitled to any payment from Architectural Firm A.

25. It was further part of the scheme that, on or about October 27, 2020, defendant caused Consultant A to issue a check from Brevard payable to Strategic for approximately \$8,900, as defendant’s share of the \$18,000 check issued to Brevard from Architectural Firm A.

26. It was further part of the scheme that, on or about January 27, 2021, Architectural Firm A issued a check to Brevard for \$24,000, which was equivalent to \$250 per unit, as the kickback/bribe for the Victoria Crossing Development contract. As defendant knew, Brevard did not provide any services to Architectural Firm A,

and neither Brevard nor defendant was entitled to any payment from Architectural Firm A.

27. It was further part of the scheme that, on or about February 2, 2021, defendant caused Consultant A to issue a check from Brevard payable to Strategic for approximately \$12,000, as defendant's share of the \$24,000 check issued to Brevard from Architectural Firm A.

28. It was further part of the scheme that, on or about July 27, 2021, defendant caused the office manager of Nonprofit A to issue a check to Brevard for approximately \$30,000 from an account for the Victoria Crossing Development. As purported support for that payment, defendant provided the office manager with an invoice from Brevard. That invoice falsely stated that the payment was for "design and permitting of the site plan, building plans and unit plans, permit expediting, negotiating contracts, financial modeling, [and] closing the CDBG loan." In fact, as defendant knew, neither Brevard nor defendant was entitled to that payment and Nonprofit A's board of directors did not authorize any such payment.

29. It was further part of the scheme that, on or about August 3, 2021, defendant caused Consultant A to issue a check from Brevard payable to Strategic for approximately \$15,000 for defendant's personal benefit. That amount was funded from the \$30,000 check issued to Brevard from the account for the Victoria Crossing Development.

30. It was further part of the scheme that, on or about August 20, 2021, defendant caused a check to be issued to Brevard for approximately \$72,000 out of

the closing proceeds for the acquisition and funding of the Plateau Village Development. As defendant knew and intended, that payment to Brevard caused Nonprofit A's developer fee for that development to be reduced by that same amount. As purported support for that payment to Brevard, defendant caused Consultant A to provide an invoice from Brevard. That invoice falsely stated that Brevard was entitled to that fee for work on: "(i) the design and permitting of the site plan, the building plans and the unit plans; (ii) negotiating contracts; (iii) financial modeling; and (iv) closing of the construction loan." In fact, as defendant knew, neither Brevard nor defendant was entitled to that payment and Nonprofit A's board of directors did not authorize any such payment.

31. It was further part of the scheme that, on or about August 25, 2021, defendant caused Consultant A to issue a check from Brevard payable to Strategic for approximately \$23,040 for defendant's personal benefit. That amount was funded from the \$72,000 check issued to Brevard out of the closing proceeds for the Plateau Village Development.

32. It was further part of the scheme that, on or about October 21, 2021, defendant caused a check to be issued to Brevard for approximately \$96,000 out of the closing proceeds for the acquisition and funding of the Victoria Crossing Development. As defendant knew and intended, that payment to Brevard caused Nonprofit A's developer fee for that development to be reduced by that same amount. As purported support for that payment, defendant caused the settlement statement to falsely describe that payment as a "Developer Fee." In fact, as defendant knew,

neither Brevard nor defendant was entitled to that payment and Nonprofit A's board of directors did not authorize any such payment.

33. It was further part of the scheme that, on or about October 25, 2021, defendant caused Consultant A to issue a check from Brevard payable to Strategic for approximately \$30,000 for defendant's personal benefit. That amount was funded from the \$96,000 check issued to Brevard out of the closing proceeds for the Victoria Crossing Development.

34. It was further part of the scheme that defendant used Consultant B as a pass-through to embezzle additional money from the closing proceeds of the Victoria Crossing Development. Specifically, defendant told Consultant B that Nonprofit A or its affiliate would pay her \$1,000 per unit for her work on that development but that she would be required to pay half that amount back to Brevard, net of Consultant B's expenses.

35. It was further part of the scheme that, on or about October 21, 2021, defendant caused a check to be issued to Consultant B for approximately \$96,000 out of the closing proceeds for the Victoria Crossing Development. As defendant knew and intended, that payment to Consultant B caused Nonprofit A's developer fee for that development to be reduced by that same amount.

36. It was further part of the scheme that, on or about October 27, 2021, defendant caused Consultant B to issue a check to Brevard for \$38,000. That amount was funded from the \$96,000 check issued to Consultant B out of the closing proceeds for the Victoria Crossing Development, and it was half of the \$96,000 but net of

Consultant B's expenses. That check was falsely described as being payment for "services" purportedly provided by Brevard to Consultant B. In fact, as defendant knew, Brevard did not provide any services to Consultant B, and neither Brevard nor defendant was entitled to that payment.

37. It was further part of the scheme that, on or about October 29, 2021, defendant caused Consultant A to issue a check from Brevard payable to Strategic for approximately \$19,000 for defendant's personal benefit. That amount was funded from the \$38,000 check issued to Brevard from Consultant B.

38. It was further part of the scheme that, in or about early 2022, defendant purported to cause Nonprofit A's affiliate to transfer its interest in the billboard on the Victoria Crossing Development to Brevard, in exchange for no money or other payment or consideration, so that Brevard would receive the rental payments from the advertising company that operated that billboard. As defendant knew, that transaction was not authorized by Nonprofit A's board of directors, and it was for defendant's personal benefit.

39. It was further part of the scheme that defendant misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the purposes of the scheme and acts done in furtherance of the scheme.

40. On or about July 19, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an email from defendant to Consultant A and Consultant B instructing that the money to be paid to Strategic as a purported “buyers broker fee” for the Plateau Village Development should be deducted from Nonprofit A’s developer fee;

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



**COUNT TWO**

The SPECIAL MAY 2024 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 39 of Count One are incorporated here.

2. On or about August 12, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an email from defendant to numerous recipients, including Consultant A and Consultant B, falsely stating that Brevard and Strategic were owed fees as “sub-consultants during the zoning, land use and closing process” for the Plateau Village Development;

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

**COUNT THREE**

The SPECIAL MAY 2024 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 39 of Count One are incorporated here.

2. On or about August 25, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, for the purpose of executing the scheme, knowingly caused to be placed in an authorized depository for mail matter to be delivered by the Postal Service to defendant in Lake Zurich, Illinois, a check from Brevard made payable to Strategic in the amount of \$23,040, as defendant's share of Brevard's purported "fee" from the Plateau Village Development;

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

**COUNT FOUR**

The SPECIAL MAY 2024 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 39 of Count One are incorporated here.

2. On or about October 25, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, for the purpose of executing the scheme, knowingly caused to be placed in an authorized depository for mail matter to be delivered by the Postal Service to defendant in Lake Zurich, Illinois, a check from Brevard made payable to Strategic in the amount of \$30,000, as defendant's share of Brevard's purported "fee" from the Victoria Crossing Development;

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

**COUNT FIVE**

The SPECIAL MAY 2024 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 39 of Count One are incorporated here.

2. On or about November 26, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, a wire transmission directing the transfer of approximately \$250,000, as a purported zero-interest, 40-year forgivable “loan,” from Nonprofit A to a bank account in the name of Homestart for defendant’s benefit;

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

**COUNT SIX**

The SPECIAL MAY 2024 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 39 of Count One are incorporated here.

2. On or about February 22, 2022, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an email from defendant to the purchaser of the Rooftop Cell Tower Interest, in which: (a) defendant falsely stated that Homestart was an “affiliated entity” of Nonprofit A, and (b) defendant asked for \$500,000 in exchange for Homestart purporting to sell that property interest to the purchaser;

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

**COUNT SEVEN**

The SPECIAL MAY 2024 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 39 of Count One are incorporated here.

2. On or about July 14, 2022, in the Northern District of Illinois, Eastern Division, and elsewhere,

WILLIAM SCHNEIDER,

defendant herein, for the purpose of executing the scheme, knowingly caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, and signals, namely, an interstate wire transfer of approximately \$461,302.87 from the purchaser of the Rooftop Cell Tower Interest to Homestart for defendant's benefit;

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

**FORFEITURE ALLEGATION**

The SPECIAL MAY 2024 GRAND JURY further alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Sections 1341 or 1343, as set forth in this Indictment, defendant shall forfeit to the United States of America any property which constitutes and is derived from proceeds obtained directly and indirectly as a result of the offense, as provided in Title 18, United States Code, Section 982(a)(2)(A).

2. The property to be forfeited includes, but is not limited to, a personal money judgment.

3. If any of the property described above, as a result of any act or omission by 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, as provided in Title 21, United States Code Section 853(p).

A TRUE BILL:

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FOREPERSON

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Signed by Jason A. Yonan  
on behalf of the  
ACTING UNITED STATES ATTORNEY