

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) No.
)
) Violations: Title 18, United States
) Code, Sections 1341, 1343, and 1957(a)
)
EUGENE Z. NOWAK)

COUNT ONE

The SPECIAL MAY 2019 GRAND JURY charges:

1. At times material to this Indictment:
 - a. Defendant EUGENE Z. NOWAK was a resident of Naples, Florida. NOWAK was the president of Global Funding Partners, a Nevada corporation that purported to be an investment firm with complex business dealings with large multinational banking and financial services institutions.
 - b. Scotiabank, also known as the Bank of Nova Scotia, was a multinational banking and financial services institution headquartered in Canada.
 - c. A standby letter of credit (“SBLC”) was a document that guaranteed a bank’s commitment of payment on behalf of the bank’s client.
 - d. Individual A was an attorney licensed in Illinois who held an attorney trust account at J.P. Morgan Chase Bank in Chicago, Illinois.
 - e. Victim A was a resident of Chicago, Illinois.
 - f. Individual B operated a car dealership in Naples, Florida, and controlled a bank account in the name of the car dealership at First Florida Integrity

Bank in Naples, Florida.

g. Individual C operated a pawn shop in Naples, Florida, and controlled a bank account in the name of the pawn shop at First Florida Integrity Bank in Naples, Florida.

2. Beginning in or around 2013, and continuing through in or around December 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

EUGENE Z. NOWAK,

defendant herein, and others known and unknown to the grand jury, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain money and property from investors 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 NOWAK falsely represented to investors, including Victim A, that investor funds would be used to provide “bridge funding,” or temporary funding, in order for Global Funding Partners to close a purported \$33 million financial transaction involving Scotiabank and a SBLC issued by the bank. NOWAK also falsely represented to investors, among other things, that their funds would be held in escrow in Individual A’s attorney trust account, to be disbursed only for the purpose of the investment and only when the \$33 million Scotiabank transaction closed when, in fact, NOWAK and Global Funding Partners were not parties to a transaction with Scotiabank and NOWAK fraudulently diverted investor funds to pay his personal expenses. NOWAK also falsely represented to investors that

they would receive high-yield returns within a short period of time if they participated in the investment, with the ability to cancel the investment at any time and obtain a full refund with interest.

4. It was further part of the scheme that NOWAK represented himself to investors, including Victim A, as a sophisticated broker of financial instruments and other high-yield investments offered by Global Funding Partners.

5. It was further part of the scheme that NOWAK solicited and obtained investor funds, in part, by falsely representing that he and Global Funding Partners were involved in a \$33 million financial transaction funded by Scotiabank through the bank's SBLC, knowing that neither he nor Global Funding Partners were involved in such a transaction.

6. It was further part of the scheme that, to induce investors to provide funding to Global Funding Partners, NOWAK intentionally misled and falsely represented to investors, including Victim A, that their investment funds would be held in escrow in Individual A's attorney trust account and disbursed only in connection with Global Funding Partner's purported \$33 million financial transaction involving the SBLC issued by Scotiabank, knowing those representations were false, all in order to misappropriate investor funds.

7. It was further part of the scheme that NOWAK solicited and obtained investor funds, in part, by falsely representing to investors that, in order to permit the purported \$33 million financial transaction involving Scotiabank and the SBLC

to close, investors would be investing in high-yield, short-term investments from which investors, including Victim A, would receive significant investment returns.

8. It was further part of the scheme that, to induce investors to make an investment, NOWAK provided investors, including Victim A, with documents including “Private Investment Agreements,” “Private Loan Agreements,” escrow agreements, and extension agreements, knowing that these documents falsely represented that investor funds would be used by Global Fund Partners as bridge funding needed to close the purported \$33 million financial transaction involving Scotiabank and the bank’s SBLC.

9. It was further part of the scheme that once investors, including Victim A, agreed to invest, NOWAK directed the investors to sign the “Private Investment Agreements,” “Private Loan Agreements,” escrow agreements, and extension agreements and wire their funds to Individual A’s attorney trust account.

10. It was further part of the scheme that once investor funds were deposited in Individual A’s attorney trust account, NOWAK routinely misappropriated investor funds by directing Individual A to disburse funds to entities, including Individual B’s car dealership and Individual C’s pawn shop, that NOWAK knew were unrelated to the purported investment and to pay for NOWAK’s personal expenses.

11. It was further part of the scheme that NOWAK falsely represented to investors, including Victim A, that he would refund their investment money if

Scotiabank did not close the purported \$33 million financial transaction, knowing that he did not intend, or have the funds, to provide such refunds.

12. It was further part of the scheme that, in order to conceal his misappropriation of investor funds and to continue to solicit and obtain such funds, NOWAK made false representations to investors, including Victim A, about the pending status of the purported \$33 million transaction involving Scotiabank, knowing that, at the time he made those representations, investor funds already had been disbursed from Individual A's attorney trust account and converted by NOWAK.

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

14. As a result of the scheme, NOWAK caused investors, including Victim A, to suffer hundreds of thousands of dollars in losses.

15. On or about September 25, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

EUGENE Z. NOWAK,

defendant 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 interstate funds transfer of approximately \$15,000 from Individual A's attorney trust account at J.P. Morgan Chase Bank in Chicago, Illinois, to the account of Individual C's pawn shop at First Florida Integrity Bank in Naples, Florida;

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

COUNT TWO

THE SPECIAL MAY 2019 GRAND JURY further charges:

1. Paragraphs 1 through 14 of Count One are incorporated here.
2. On or about November 16, 2015, at Chicago, in the Northern District of

Illinois, Eastern Division, and elsewhere,

EUGENE Z. NOWAK,

defendant herein, for the purpose of executing the above-described scheme, and attempting to do so, knowingly caused to be placed in an authorized depository for mail an item to be delivered by the United States Postal Service to defendant in Naples, Florida, which contained agreements that defendant represented would enable Victim A to obtain a refund of Victim A's investment funds;

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

COUNT THREE

THE SPECIAL MAY 2019 GRAND JURY further charges:

1. Paragraphs 1 through 14 of Count One are incorporated here.
2. On or about December 6, 2016, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

EUGENE Z. NOWAK,

defendant 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, signals, and sounds, namely, an interstate telephone call from NOWAK's phone number in Florida to Victim A's phone number and an additional phone number in Chicago, Illinois, in which defendant falsely represented that Global Funding Partners was offering a high-yield, short term investment in connection with the closing of a purported \$33 million transaction involving Scotiabank and a SBLC;

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

COUNT FOUR

The SPECIAL MAY 2019 GRAND JURY further charges:

1. Paragraphs 1 through 14 of Count One are incorporated here.
2. On or about December 9, 2016, at Chicago, in the Northern District of

Illinois, Eastern Division, and elsewhere,

EUGENE Z. NOWAK,

defendant 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 email from genenowak@xxxxxx.com to rldavitch64@xxxxxx.com, copying Victim A, and containing a letter purportedly sent by Scotiabank related to the \$33 million transaction purportedly involving Global Funding Partners;

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

COUNT FIVE

The SPECIAL MAY 2019 GRAND JURY further charges:

On or about September 25, 2015, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

EUGENE Z. NOWAK,

defendant herein, knowingly engaged in a monetary transaction affecting interstate commerce and involving criminally derived property of a value greater than \$10,000, that is, defendant caused to be transferred approximately \$15,000 of Victim A's investor funds from Individual A's attorney trust account at J.P. Morgan Chase Bank in Chicago, Illinois, to Individual C's pawn shop bank account at First Florida Integrity Bank in Naples, Florida, which property was derived from specified unlawful activity, namely, wire fraud, in violation of Title 18, United States Code, Section 1343;

In violation of Title 18, United States Code, Section 1957(a).

FORFEITURE ALLEGATION

The SPECIAL MAY 2019 GRAND JURY further alleges:

1. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1341, 1343, and 1957(a), as set forth in this Indictment,

EUGENE Z. NOWAK,

defendant herein, shall forfeit to the United States of America, with respect to Counts One through Four, 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 with respect to Count Five, any property involved in the offense, or any property traceable to such property, pursuant to Title 18, United States Code, Section 982(a)(1).

2. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendant:

- (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);

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18,
United States Code, Sections 981(a)(1)(C) and 982(a)(1).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY