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THOMAS G. BRUTON
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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
 v.)
)
 BRIAN BLALOCK)

No. **1:21-CR-00713**

Violation: Title 18, United States Code,
Section 1343

**JUDGE LEFKOW
MAGISTRATE JUDGE FINNEGAN**

The SPECIAL JULY 2021 GRAND JURY charges:

1. At times material to this Indictment:

a. Defendant BRIAN BLALOCK, who was self-employed, held himself out as being in the business of buying and selling heavy industrial equipment, including trucks, trailers, road construction machines, oil field equipment, and generators ("equipment").

b. BLALOCK had at least three companies, which included PWC Holdings, LLC, Brian Blalock, LLC, and Parkwood Companies, LLC. BLALOCK listed these companies' addresses as being in Chicago, Illinois, and had corporate bank accounts in Chicago for these companies. BLALOCK used these companies to receive funds for the purported purchase and sale of equipment.

c. BLALOCK solicited and obtained money from individuals, who provided their funds to BLALOCK: (1) to purchase equipment from him; (2) to invest with him in connection with his purchase and sale of equipment; or (3) to loan money to him (collectively referred to as "victims").

2. Beginning in or about no later than March 2018, and continuing until in or about August 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, devised, intended to devise, and participated in a scheme to defraud, and to obtain money and property based on materially false and fraudulent pretenses, representations, and promises, and by the concealment of material facts, which scheme is further described below.

3. It was part of the scheme that defendant BLALOCK knowingly made materially false representations to victims in order to fraudulently obtain and retain the victims' funds, which included: (a) the way in which victims' funds would be used and were used; (b) the expected and actual returns on investments and loans; and (c) when victims' funds would be repaid or refunded. Instead of using victims' funds as promised, BLALOCK misappropriated a substantial portion of those funds for his own benefit, causing losses to the victims of at least approximately \$350,000.

4. It was further part of the scheme that BLALOCK falsely represented that: (a) he would sell equipment to certain victim buyers, which he would deliver on a specific date; (b) he would use funds invested with him by certain victim investors to purchase and sell equipment, and he would repay their money, along with substantial profits, within a given period of time; and (c) he would use funds loaned to him by victim lenders to complete deals to purchase equipment, and he would repay those victims, with substantial interest, within a given period of time. In fact, BLALOCK did not intend to deliver any equipment to the victim buyers, he did not intend to use all of the funds invested by victim

investors or loaned to him by victim lenders to purchase equipment as represented, and he did not intend to repay all of the victims as promised.

5. It was further part of the scheme that BLALOCK listed equipment for sale on websites, and falsely represented to victim buyers that he would sell and deliver that equipment to them on a specified date. After BLALOCK received payment from those victims, BLALOCK falsely represented that the equipment was in transit and would be delivered shortly, and later provided excuses as to why the equipment was not delivered. Eventually BLALOCK promised to refund the victim buyers' money. In fact, BLALOCK never intended to deliver the equipment and kept the victims' money, despite repeated requests by the victims for the funds to be returned.

6. It was further part of the scheme that BLALOCK convinced certain victims to invest money with him by claiming that their money, along with his own funds, would be used for pending deals to purchase equipment, which he would sell for a huge profit that he would split with the victims. Instead of using the victims' funds to purchase equipment as promised, BLALOCK used a substantial portion of the victims' funds for his own personal benefit, and failed to return all of the victims' funds or pay profits to all of the victims, as promised.

7. It was further part of the scheme that BLALOCK obtained short-term loans from certain victims by falsely representing that he needed the loans to complete pending deals, and he would repay the victims within a month or less, with substantial interest. BLALOCK concealed from the victims the fact that he had recently misappropriated money from other victims, and had intentionally failed to repay those victims as promised.

Contrary to his representations, BLALOCK did not use, or intend to use, all of the victims' funds to complete pending deals, and he did not repay, or intend to repay, all of the victim lenders, as promised.

8. It was further part of the scheme that, instead of using victims' funds in the manner he described to victims, BLALOCK misappropriated a substantial portion of the victims' funds to pay for his own personal expenses, such as rent payments, utility bills, restaurant charges, and retail purchases, and to make payments to other victims.

9. It was further part of the scheme that BLALOCK knowingly made false lulling statements to victims, which included promising to repay them within a short period of time, when he had no intention of making such payments. BLALOCK also falsely represented to victims that he had tried to wire funds to them, or to obtain funds from the bank to repay them, and provided false excuses as to why those funds were not available. BLALOCK also gave victims numerous checks – to repay their funds – that bounced, because his accounts had insufficient funds to cover the checks. Eventually, BLALOCK deliberately cut off communications with certain victims in order to avoid repaying them.

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

16. As a result of the scheme, BLALOCK caused losses to victims of at least approximately \$350,000.

17. On or about May 22, 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$19,600, from Victim A to BLALOCK's personal bank account at HSBC Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent as an investment;

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

COUNT TWO

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.
2. On or about June 8, 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$20,000, from Victim B to BLALOCK's personal bank account at HSBC Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent as an investment;

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

COUNT THREE

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.

2. On or about June 19, 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$23,000, from Victim B to BLALOCK's personal bank account at HSBC Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent as an investment;

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

COUNT FOUR

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.
2. On or about November 4, 2020, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$50,000, from Victim C to BLALOCK's business bank account, PWC Holdings, LLC, at JP Morgan Chase Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent as an investment;

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

COUNT FIVE

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.
2. On or about February 22, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$1,401, from Victim D to BLALOCK's business bank account, Brian Blalock, LLC, at JP Morgan Chase Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent to pay for the purchase of equipment;

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

COUNT SIX

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.

2. On or about February 24, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$3,000, from Victim E to BLALOCK's business bank account, PWC Holdings, LLC, at PNC Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent as an investment;

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

COUNT SEVEN

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.
2. On or about April 13, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$5,000, from Victim F to BLALOCK's business bank account, PWC Holdings, LLC, at PNC Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent as an investment;

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

COUNT EIGHT

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.

2. On or about June 24, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$5,000, from Victim G to BLALOCK's business bank account, PWC Holdings, LLC, at PNC Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent to pay for the purchase of equipment;

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

COUNT NINE

The SPECIAL JULY 2021 GRAND JURY further charges:

1. Paragraphs 1 through 16 of Count One of this Indictment are incorporated here.
2. On or about June 29, 2021, in the Northern District of Illinois, Eastern Division, and elsewhere,

BRIAN BLALOCK,

defendant herein, for the purpose of executing the scheme to defraud, knowingly caused to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate wire transfer of \$35,000, from Victim G to BLALOCK's business bank account, PWC Holdings, LLC, at PNC Bank, in Chicago, Illinois, through the Fed Wire system, which funds were sent to pay for the purchase of equipment;

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

A TRUE BILL:

FOREPERSON

Signed by Jason Yonan on behalf of the
UNITED STATES ATTORNEY