

-FILED-
OCT 16 2024
At Chanda J. Berta, Clerk
U.S. DISTRICT COURT
NORTHERN DISTRICT OF INDIANA

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

UNITED STATES OF AMERICA)

) Cause No. **2 : 24 CR 98**

v.)

) 18 U.S.C. § 1343

THOMAS J. LEMMEN)

) 18 U.S.C. § 1028A

INDICTMENT

THE GRAND JURY CHARGES:

At times material to this Indictment:

BACKGROUND

1. Defendant THOMAS J. LEMMEN, a resident of Schererville, Indiana, was an independent insurance agent licensed in the state of Indiana.

2. LEMMEN contracted with insurers including Insurance Company A and Insurance Company B (collectively, the "Insurance Companies") to solicit and sell life insurance policies on their behalf.

3. Under his contracts with the Insurance Companies, LEMMEN earned a commission for each new life insurance policy issued to an applicant LEMMEN solicited. The Insurance Companies also agreed to "advance" LEMMEN a specified portion of the commission he would otherwise earn periodically throughout the first year of the policy, paying such advances as a lump-sum shortly after the issuance of each new policy. If a new policy lapsed

or terminated within the first year of the policy, the Insurance Companies could recover some or all of the advance commission paid to LEMMEN.

SCHEME TO DEFRAUD

4. Between at least February 2020 and August 2022, in the Northern District of Indiana and elsewhere, THOMAS J. LEMMEN did knowingly and with intent to defraud devise and participate in a scheme to defraud Insurance Company A, Insurance Company B, and others.

5. The purpose of the scheme was to obtain money and funds belonging to the Insurance Companies and others through the issuance of fraudulent life insurance policies based on LEMMEN's materially false statements, representations, promises, and the omission of material facts.

MANNER AND MEANS USED TO CARRY OUT THE SCHEME

6. Over the course of more than two years, LEMMEN used his position as an independent insurance agent to write over 1,000 fraudulent life insurance policies for individuals residing throughout Northern Indiana and elsewhere without their knowledge or consent. As a result of the fraud, LEMMEN caused the Insurance Companies to pay him millions of dollars in commissions to which he was not entitled.

7. To initiate the writing of each fraudulent policy, LEMMEN submitted an electronic application on which he supplied the names, dates of birth, and Social Security numbers belonging to the purported applicants, as

well as other information about the purported applicants' health and finances. LEMMEN also affixed digital signatures representing that the purported applicants had signed the applications and other required documents. Among others, LEMMEN affixed digital signatures on release forms that authorized the Insurance Companies to obtain and review the purported applicant's medical records, credit reports, and other sensitive personal information.

8. LEMMEN submitted the fraudulent applications without the knowledge or authorization of the individuals purportedly requesting life insurance coverage. LEMMEN was not authorized to use the purported applicants' personally identifiable information on the applications. In addition to hundreds of living individuals whose identifiers were used without their consent, LEMMEN also submitted applications on behalf of at least two dozen individuals who were already deceased on the dates they purportedly signed and submitted applications to the Insurance Companies.

9. With each fraudulent application, LEMMEN authorized and caused the disclosure of the purported applicant's sensitive personal information to the Insurance Companies, including detailed medical and pharmaceutical records.

10. Based on the fraudulent applications LEMMEN submitted, the Insurance Companies issued over 1,000 life insurance policies providing coverage to purported applicants who did not request or purchase it. Upon

issuance of the fraudulent policies, LEMMEN would receive an advance of his first year's commission, typically between \$1,000 and \$3,000 per policy.

11. To perpetuate his fraud and avoid detection by the Insurance Companies, LEMMEN prevented fraudulent policies from lapsing by paying a certain number of monthly premiums. LEMMEN made such payments using dozens of different bank accounts he owned or controlled, including some accounts created for the purpose of paying premiums on fraudulent policies.

12. Based in part on his fraudulently inflated commission earnings, LEMMEN sought and obtained business financing worth hundreds of thousands of dollars in the form of merchant cash advances and other funding sources.

13. Among hundreds of others, LEMMEN wrote the following fraudulent life insurance policies in furtherance of his scheme:

Fraudulent Victim 1 Policy

14. On or about February 27, 2020, LEMMEN prepared and submitted a life insurance application to Insurance Company A on behalf of Victim 1, a resident of Merrillville, Indiana. That application resulted in the issuance of a \$12,000 whole life insurance policy #0101701820.

15. On the application, LEMMEN provided Victim 1's name, date of birth, Social Security number, and other personal information about Victim 1's family and health conditions. LEMMEN also affixed digital signatures

representing that Victim 1 had signed the application, and an “Authorization for the Release of Medical Records” form.

16. In fact, Victim 1 did not sign or submit this application or associated documents. Victim 1 did not authorize LEMMEN to use his personal identifiers to complete or submit the applications.

17. Insurance Company A paid LEMMEN a commission advance upon issuing the fraudulent Victim 1 policy. LEMMEN used a personal checking account x8237, which he opened on or about February 27, 2020, to make premium payments on the fraudulent Victim 1 policy.

Fraudulent Victim 2 Policies

18. On or about the following dates, LEMMEN prepared and submitted life insurance applications to Insurance Company B on behalf of Victim 2, a resident of Crown Point, Indiana, each resulting in the issuance of a \$16,000 whole life insurance policy:

- a. On July 6, 2021, an application for Policy #920244451, and
- b. On March 5, 2022, an application for Policy #920310836.

19. On each application, LEMMEN provided Victim 2’s name, date of birth, Social Security number, and other personal information about Victim 2’s family and health conditions. LEMMEN also affixed digital signatures purporting to represent that Victim 2 had signed each application and other

documents, including an “Authorization for Release of Health-Related Information,” at Valparaiso, Indiana.

20. In fact, Victim 2 did not sign or submit either of the above-listed applications or associated documents. Victim 2 did not authorize LEMMEN to use his personal identifiers to complete or submit the applications.

21. Insurance Company B paid LEMMEN a commission advance upon issuing each of the fraudulent Victim 2 policies. LEMMEN used a personal savings account x4042 at Bank A, which he owned and controlled, to make premium payments on the fraudulent Victim 2 policies.

Fraudulent Victim 3 Policies

22. On or about the following dates, LEMMEN prepared and submitted three life insurance applications to Insurance Company B on behalf of Victim 3, a former resident of Valparaiso, Indiana, each resulting in the issuance of a \$10,000 whole life insurance life insurance policy:

- a. On April 27, 2022, an application for Policy #920329225,
- b. On May 4, 2022, an application for Policy #920332227, and
- c. On May 10, 2022, an application for Policy #920334018.

23. On each application, LEMMEN provided Victim 3’s name, date of birth, Social Security number, and other personal information about Victim 3’s family and health conditions. LEMMEN also affixed digital signatures falsely representing that Victim 3 had signed each application and associated

documents, including an “Authorization for Release of Health-Related Information,” at Highland, Indiana.

24. In fact, Victim 3 died on or about March 20, 2022, and was not alive on the dates he purportedly signed and submitted each of the above-referenced applications. LEMMEN was not authorized to use Victim 3’s personal identifiers to complete any of the applications referenced above.

25. Insurance Company B paid LEMMEN a commission advance upon issuing each of the fraudulent Victim 3 policies. LEMMEN used a personal checking account x3025 at Bank B, which he owned and controlled, to make premium payments on the fraudulent Victim 3 policies.

Fraudulent Victim 4 Policies

26. On or about the following dates, LEMMEN prepared and submitted three life insurance applications to Insurance Company B on behalf of Victim 4, a former resident of Michigan City, Indiana:

- a. On May 16, 2022, an application resulting in the issuance of Policy #920335910, a \$20,000 whole life insurance policy;
- b. On May 21, 2022, an application resulting in the issuance of Policy #920338041, a \$15,000 whole life insurance policy; and
- c. On August 10, 2022, an application resulting in the issuance of Policy #920366630, a \$15,000 whole life insurance policy.

27. On or about May 16, 2022, LEMMEN prepared and submitted a life insurance application to Insurance Company A on behalf of Victim 4, resulting in the issuance of Policy #0104070330, a \$20,000 whole life insurance policy.

28. On each application, LEMMEN provided Victim 4's name, date of birth, Social Security number, and other personal information about Victim 4's family and health conditions. LEMMEN also affixed digital signatures falsely representing that Victim 4 had signed each application and associated documents, including an "Authorization for Release of Health-Related Information," at Portage, Indiana.

29. In fact, Victim 4 died on or about April 4, 2021, and was not alive on the dates she purportedly signed and submitted each of the above-referenced applications. LEMMEN was not authorized to use Victim 4's personal identifiers to complete any of the applications referenced above.

30. The Insurance Companies paid LEMMEN a commission advance upon issuing each of the fraudulent Victim 4 policies. LEMMEN used savings account x5596 at Bank C, which he owned and controlled, to make premium payments on the fraudulent Victim 4 policies.

COUNTS 1-5
(Wire Fraud)

31. Paragraphs 1 through 30 are incorporated here by reference.

32. On or about the following dates, in the Northern District of Indiana and elsewhere, **THOMAS J. LEMMEN** did knowingly send and cause to be sent by wire communications in interstate commerce, certain writings, signs, and signals for the purpose of executing and attempting to execute the scheme and artifice to defraud described above, including the following:

COUNT	DATE	INTERSTATE WIRE
1	7/6/2021	Transmission of electronic life insurance application to Insurance Company B via servers located in Virginia and North Carolina (Policy #920244451 on behalf of Victim 2)
2	8/9/2021	ACH auto-debit of premium payment on Policy x4451 from Bank A account x4042 originating from Insurance Company B servers located in North Carolina
3	4/27/2022	Transmission of electronic life insurance application to Insurance Company B via servers located in Virginia and North Carolina (Policy x9225 on behalf of Victim 3)
4	5/3/2022	ACH auto-debit of premium payment on Policy x9225 from Bank B account x3025 via servers located in North Carolina and Utah
5	8/10/2022	Transmission of electronic life insurance application to Insurance Company B via servers located in Virginia and North Carolina (Policy x6630 on behalf of Victim 4)

All in violation of Title 18, United States Code, Section 1343.

COUNT 6
(Aggravated Identity Theft)

33. Paragraphs 1 through 32 are incorporated here by reference.

34. Between at least February 2020 and August 2022, in the Northern District of Indiana and elsewhere, **THOMAS J. LEMMEN** did knowingly possess and use, without lawful authority, a means of identification of another person, to include Victim 1, Victim 2, Victim 3, and Victim 4, among others, during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), to wit 18 U.S.C. § 1343 as charged in Counts 1 through 5, knowing that the means of identification belonged to another person.

All in violation of Title 18, United States Code Section 1028A(a)(1).

FORFEITURE ALLEGATIONS

35. The allegations contained in Counts 1 through 5 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(2).

36. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1343, set forth in Counts 1 through 5, the defendant, THOMAS J. LEMMEN, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(2), any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violations.

37. The United States will also seek a forfeiture money judgment equal to the value of any property, real or personal, which constitutes or is derived from proceeds traceable to the offenses.

38. If any of the property described above, as a result of any act or omission of 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 pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28 United States Code, Section 2461(c).

A TRUE BILL:

/s/ Foreperson
FOREPERSON

CLIFFORD D. JOHNSON
UNITED STATES ATTORNEY

By: /s/ Zachary D. Heater
Zachary D. Heater
Assistant United States Attorney