

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

FILED
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CLERK
WESTERN DISTRICT OF MICH

BY



UNITED STATES OF AMERICA,

Plaintiff,

No.

vs.

Hon.

1:04CR0279

CHERYL L. ROBERTS,

Defendant.

Richard Alan Enslin
U.S. District Judge

INDICTMENT

The Grand Jury charges:

(Mail Fraud)

That from May 2004 to July 2004, in Muskegon County, in the Southern Division of the Western District of Michigan and other places,

CHERYL L. ROBERTS,

defendant, did knowingly and unlawfully devise a scheme and artifice to defraud Investaid, South Star, Flagstar Bank, CU Mortgage Company, Specialty Mortgage Company, Countrywide Mortgage Company, dba American's Wholesale Lender, Inc., Home Equity of America, Inc., Precise Mortgage, Inc., Clark Financial Inc. and Argent Mortgage Company of money, funds, credits and similar property rights.

The scheme and artifice consisted of the defendant agreeing and promising to act as the escrow closing agent in a series of real estate transactions. In each case, there was either a purchase/sale of real estate or a re-financing of real estate.

In the case of a purchase/sale of real estate transaction, the buyer was required to provide

a payment for the value of the real estate. The buyers of real estate obtained a “mortgage” as a means to pay for the purchase of the real estate. It was the duty of the escrow closing agent to safely hold the payment of funds intended for the seller of real estate. Once the paperwork was completed and any rescission period had elapsed, the escrow closing agent was required to forward the payment for the real estate to the benefit of the seller of the real estate.

In the case of a “real estate re-financing,” the home-owner contracted with a mortgage company to obtain a payment of money, which was secured by the real estate in the transaction. It was the duty of the escrow closing agent to safely hold the payment of funds intended for the person re-financing the real estate. Once the paperwork was completed and any rescission period has elapsed, the escrow closing agent was required to forward the payment for the real estate to the benefit of the person re-financing the real estate.

For the purpose of executing the scheme to defraud, the defendant knowingly caused to be delivered, by both the United States Postal Service and commercial interstate carriers, according to the directions thereon, envelopes containing payments for real estate transactions and related paperwork, which were delivered in the Western District of Michigan.

In particular, from May 2004 to July 2004, the defendant caused at least six envelopes containing checks and paperwork relating to real estate transactions to be delivered to her business address in Muskegon County. Upon receipt of the checks relating to real estate transactions, the defendant intentionally converted the proceeds of the real estate checks to pay for her business and personal expenses. None of the parties to the various real estate transactions had knowledge of the defendant’s misuse of their intended funds. None of the parties to the various real estate transactions consented to the defendant’s misuse of their intended funds. In

converting and spending the real estate funds for her personal and business benefit, the defendant violated her duty to act as a fiduciary towards the real estate sellers, persons re-financing real estate and businesses providing mortgages.

In engaging in the fraudulent scheme, the defendant caused approximately \$1,944,000 in financial losses.

18 U.S.C. § 1341

A TRUE BILL



GRAND JURY FOREPERSON

MARGARET M. CHIARA
United States Attorney



MICHAEL A. MACDONALD
Assistant United States Attorney