

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUDGE ANDERSEN

MAGISTRATE JUDGE BROWN

No. **04CR0072**

UNITED STATES OF AMERICA)
)
 v.)
)
 JAMES RUCKER,)
 VIRGIL GRIFFIN,)
 TINA HOARD,)
 GREGORY JACOBS,)
 STEPHEN LAWHORN,)
 PATRICIA MAYS, aka "KIMBERLY)
 THOMAS",)
 CARMEN PERRY, and)
 WILLIAM SCOTT)

Violations: Title 18,
United States Code,
Sections 1341, 1343, and
2

DOCKETED

JAN 23 2004

FILED

JAN 22 2004

MARTIN C. ASHMAN
UNITED STATES MAGISTRATE JUDGE
UNITED STATES DISTRICT COURT

COUNT ONE

The SPECIAL NOVEMBER 2002 GRAND JURY charges:

1. At times material to this indictment:

a. Certain lending institutions, including mortgage companies and federally-insured financial institutions, were in the business of issuing conventional mortgage loans related to the purchase of residential and investment properties (hereinafter, collectively referred to as the "Lenders").

b. Ravenswood Mortgage ("Ravenswood") was a corporation registered to do business in the State of Illinois. Ravenswood was in the mortgage loan originating and brokering business. At various times, Ravenswood operated its business from offices in Chicago, Illinois and Chicago Heights, Illinois.

c. Design Mortgage Corporation ("DMC") was a corporation registered to do business in the State of Illinois. DMC had an

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office in Evanston, Illinois. DMC was also in the mortgage loan originating and brokering business.

d. Comprehensive Mortgage Corporation ("Comprehensive") was a corporation registered to do business in the State of Illinois. Comprehensive had an office in Country Club Hills, Illinois. Comprehensive was also in the mortgage loan originating and brokering business.

The Defendants

e. Defendant JAMES RUCKER worked for Ravenswood as a loan officer from approximately 1995 to approximately 1998. Defendant JAMES RUCKER then went to work for DMC as a loan officer beginning in approximately mid-1998 until at least in or about 2001.

f. Defendant VIRGIL GRIFFIN at various times was a loan officer at DMC and Comprehensive and was involved in the buying and selling of real estate in the area of Chicago, Illinois.

g. Defendant TINA HOARD was involved in the buying and selling of real estate in the area of Chicago, Illinois. Defendant TINA HOARD is married to defendant GREGORY JACOBS.

h. Defendant GREGORY JACOBS was a loan officer at Ravenswood and Comprehensive. Defendant GREGORY JACOBS is married to defendant TINA HOARD.

i. Defendant STEPHEN LAWHORN was a loan officer with DMC.

j. Defendant PATRICIA MAYS was a loan officer with Ravenswood. She often used the alias name Kimberly Thomas.

k. Defendant CARMEN PERRY was a loan officer at Comprehensive.

l. Defendant WILLIAM SCOTT was involved in the buying and selling of real estate in the area of Chicago, Illinois.

2. Beginning no later than in or about June 1998 and continuing to at least in or about January 2002, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES RUCKER,
VIRGIL GRIFFIN,
TINA HOARD,
GREGORY JACOBS,
STEPHEN LAWHORN,
PATRICIA MAYS,
CARMEN PERRY, and
WILLIAM SCOTT,

defendants herein, and others known and unknown to the Grand Jury, devised, intended to devise, and participated in a scheme and artifice to defraud and to obtain money and property, namely, mortgage loans from the Lenders by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that beginning in or about June 1998 and continuing until in or about January 2002, defendant JAMES RUCKER, along with GREGORY JACOBS, devised a scheme whereby RUCKER and JACOBS, and, subsequently, other defendants organized, directed, and assisted by RUCKER and JACOBS, agreed to purchase certain properties, principally located on the west and south sides of

Chicago and in the south suburbs of Chicago (the "Properties"), by fraudulent means. Defendants JAMES RUCKER, VIRGIL GRIFFIN, TINA HOARD, GREGORY JACOBS, STEPHEN LAWHORN, PATRICIA MAYS, and WILLIAM SCOTT obtained mortgage loans from the Lenders on the Properties through the making of materially false and misleading statements to the Lenders in the mortgage application and approval process regarding their identity, credit, employment, and financial history. In some cases, the defendants defaulted on the mortgage loans they obtained from the Lenders. In other cases, the defendants "flipped" the Properties, or, sold the Properties shortly after purchasing the Properties to a third party.

4. It was further part of the scheme that defendants JAMES RUCKER, VIRGIL GRIFFIN, TINA HOARD, GREGORY JACOBS, STEPHEN LAWHORN, CARMEN PERRY, and WILLIAM SCOTT assisted the scheme by providing falsely inflated appraisals, fraudulent employment verifications, and other fraudulent documents in order to misrepresent to the Lenders the viability of mortgage loans on the Properties.

5. It was further part of the scheme that defendants JAMES RUCKER, GREGORY JACOBS, and PATRICIA MAYS fraudulently structured some of these mortgage loans to include a provision whereby the purchaser of the property fraudulently represented to the Lender that the purchaser had entered into a prior agreement, or "land contract", with the seller pursuant to which the purchaser had supposedly made monthly payments to the seller for a period of time

9. On or about June 21, 2001, at Joliet, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES RUCKER,
GREGORY JACOBS, and
WILLIAM SCOTT,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be transmitted in interstate commerce from Santa Ana, California, to Chicago, Illinois, by means of wire and radio communication, certain signs, signals, and sounds, namely: a wire transmission from Washington Mutual Bank, Santa Ana, California, to Bank of America, Chicago, Illinois, reflecting a loan amount of \$280,000 for a property located at 648 Larkspur Lane, Matteson, IL;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWO

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about January 27, 1999, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES RUCKER and
STEPHEN LAWHORN,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

Carlyle Funding Corporation
351 W. Hubbard Street, Suite 305
Chicago, IL 60610

which envelope contained a closing package from Law Title Insurance Company, 1300 Iroquois Drive, Suite 230, Naperville, Illinois 60563, for the closing on a property located at 422 N. Leamington, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT THREE

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about October 14, 1999, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES RUCKER and
STEPHEN LAWHORN,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

Carlyle Funding Group
351 W. Hubbard Street, Suite 305
Chicago, IL 60610

which envelope contained a closing package from Equi-Financial, L.P., 1275 Wampanoag Trail, East Providence, Rhode Island 02915, for the closing on a property located at 436 N. Leamington, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT FOUR

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about February 19, 1999, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES RUCKER and
STEPHEN LAWHORN,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

Carlyle Funding Corporation
351 W. Hubbard Street, Suite 305
Chicago, IL 60610

which envelope contained a closing package from Law Title Insurance Company, 1300 Iroquois Drive, Suite 230, Naperville, Illinois 60563, for the closing on a property located at 6138 S. May Street, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT FIVE

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about May 30, 2000, at Oak Lawn, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES RUCKER and
VIRGIL GRIFFIN,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be transmitted in interstate commerce from Cincinnati, Ohio, to Bridgeview, Illinois, by means of wire and radio communication, certain signs, signals, and sounds, namely: a wire transmission from Accredited Home Lenders, 111 Tri County Parkway, Suite C, Cincinnati, Ohio 45246, to Bridgeview Bank & Trust Company, 7940 South Harlem Avenue, Bridgeview, Illinois 60455, reflecting a loan amount of \$190,848.71 for a property located at 4732 S. St. Lawrence, Chicago, IL;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SIX

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about September 27, 1999, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GREGORY JACOBS and
TINA HOARD,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be transmitted in interstate commerce from Tampa, Florida, to Chicago, Illinois, by means of wire and radio communication, certain signs, signals, and sounds, namely: a wire transmission from Bay Financial Savings Banks, F.S.B., 5537 Sheldon Road, Suite D, Tampa, Florida 33615, to St. Paul Federal Bank for Savings, 6700 W. North Avenue, Chicago, IL 60707, reflecting a loan amount of \$63,105.18 for a property located at 8025 S. Burnham, Chicago, IL;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SEVEN

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about June 28, 2001, at Rolling Meadows, in the Northern District of Illinois, Eastern Division, and elsewhere,

JAMES RUCKER,
TINA HOARD,
GREGORY JACOBS, and
WILLIAM SCOTT,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

Chicago Title,
4425C US Route 14
Crystal Lake, IL 60014

which envelope contained a closing package from Long Beach Mortgage Company, 1701 E. Golf Road, Rolling Meadows, Illinois 60008, for the closing on a property located at 16041 Red Cloud, Lockport, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT EIGHT

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about April 16, 1999, at Homewood, in the Northern District of Illinois, Eastern Division, and elsewhere,

CARMEN PERRY and
VIRGIL GRIFFIN,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

Mortgage Express
11 W. Park St.
Villa Park, IL 60181

which envelope contained a closing package from Title One, 925 W. 175th Street, Homewood, Illinois 60430, for the closing on a property located at 4440 W. 175th Street, Country Club Hills, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT NINE

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about November 30, 1999, at Palos Heights, in the Northern District of Illinois, Eastern Division, and elsewhere,

CARMEN PERRY and
VIRGIL GRIFFIN,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

Title One
925 W. 175th Street
Homewood, Illinois 60430

which envelope contained a closing package from EquiCredit Corp., Palos Heights, Illinois, for the closing on a property located at 6833 S. Elizabeth, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TEN

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about August 27, 2001, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GREGORY JACOBS and
PATRICIA MAYS,

defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

Mortgage Express
801 N. Cass Avenue, Suite 300
Westmont, IL 60559

which envelope contained a closing package from Advantage Title, 11 S. LaSalle St., Suite 250, Chicago, IL 60603, for the closing on a property located at 3322 W. Adams, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT ELEVEN

The SPECIAL NOVEMBER 2002 GRAND JURY further charges:

1. The Grand Jury realleges and incorporates Paragraphs One through Eight of Count One of this Indictment as though fully set forth herein.

2. On or about March 29, 1999, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GREGORY JACOBS,
TINA HOARD, and
CARMEN PERRY,


defendants herein, for the purpose of executing the scheme to defraud described above, and attempting to do so, knowingly caused to be delivered by private and commercial interstate carrier according to the direction thereon an envelope addressed to:

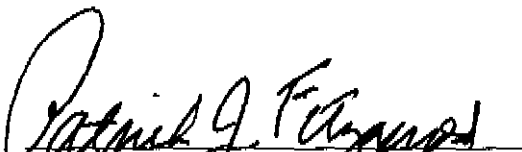
New America Financial Inc.
901 Warrenville Rd., Suite 100
Lisle, IL 60532

which envelope contained a closing package from Chicago Title & Trust, 171 N. Clark St., Chicago, Illinois, for the closing on a property located at 624 Academy, Matteson, Illinois;

In violation of Title 18, United States Code, Sections 1341 and 2.

A TRUE BILL:


FOREPERSON


UNITED STATES ATTORNEY

No.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

vs.

JAMES RUCKER, ET AL.

INDICTMENT

Violations: Title 18, United States
Code, Sections 1341,
1343, and 2

A True Bill,

Thomas C. Lear
Foreman

Filed in open court this 22nd day of January, A.D. 2004

MICHAEL W. DOBINS
By Michael W. Dobins
Clerk

Bail, \$ _____