

FILED

MAY - 5 2006

JOHN M. WATERS, Clerk
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS
URBANA DIVISION**

UNITED STATES OF AMERICA,)

Plaintiff,)

vs.)

No. CR 06-200 30

ROBERT W. TAYLOR,)
(Also Known As "Bear"),)

Title 18, United States Code,
Sections 1343.

Defendant.)

INDICTMENT

COUNT ONE

(Wire Fraud)

THE GRAND JURY CHARGES:

1. From about August, 2003, and continuing to about March, 2005, in Coles County, in the Central District of Illinois, and elsewhere,

**ROBERT W. TAYLOR,
(Also Known As "Bear"),**

defendant herein, knowingly devised a scheme and artifice to defraud and obtain money and property by means of false and fraudulent pretenses, representations, and promises from an individual with whom he had a fiduciary relationship.

The Scheme

2. At all times relevant to this indictment, TAYLOR was a licensed real estate salesperson and broker, doing business as Century 21 Bear Real Estate, in Charleston, Illinois. As a licensed real estate broker in the State of Illinois, TAYLOR was required to maintain escrow moneys separate and apart from any personal, business, or operating

accounts. TAYLOR maintained a personal checking account at The Bank in Charleston, and separate business and escrow accounts at First Mid-Illinois Bank & Trust in Charleston. TAYLOR'S business office was located at 1515-1517 University Drive in Charleston, Illinois. TAYLOR did not own 1515-1517 University Drive, but was purchasing it under an unrecorded contract for deed for approximately \$105,000.

The 420 North Property:

3. Around April and May of 2003, TAYLOR entered into a written listing agreement with A.K. to sell real estate owned by A.K. that was located at 15009 East County Road, 420 North, Charleston, Illinois ("the 420 North property") and listed for \$199,000. Around August of 2003, A.K. left the United States to reside in Germany and gave TAYLOR a written power of attorney as A.K.'s fiduciary to handle the sale of the 420 North property.

4. In August of 2003, certain buyers entered into a written agreement to purchase the 420 North property from A.K. for \$185,000 with a scheduled closing date in October of 2003. The buyers also agreed to purchase some personal property that A.K. had left at the residence for \$10,000 and to pay \$1000 rent to reside at the 420 North property up until closing.

5. It was a part of the scheme to defraud that, on August 11, 2003, without A.K.'s knowledge or permission, TAYLOR deposited a \$10,000 check from the buyers that was payable to A.K. for the purchase of A.K.'s personal property into TAYLOR'S

own personal checking account at The Bank, rather than into TAYLOR'S escrow account.

6. The closing on the 420 North property took place on October 20, 2003. At the closing, TAYLOR received a \$11,100 commission for the sale of the property and took possession of a \$170,519.08 check payable to A.K. that represented the proceeds of the sale of the 420 North property. It was part of the scheme that on or about October 22, 2003, TAYLOR, without A.K.'s knowledge or permission, deposited the \$170,519.08 check into TAYLOR'S own personal checking account at The Bank, rather than into TAYLOR'S escrow account. TAYLOR'S personal checking account had a balance of \$467.72 at the time of the deposit.

7. It was further part of the scheme that TAYLOR falsely represented to A.K., who was still residing in Germany, that the closing had not taken place because the buyers had been unable to sell their previous house. TAYLOR also falsely represented to A.K. that the buyers has asked to remain at the 420 North property and pay rent until they could close on the house. A.K. agreed to let the buyers stay and pay rent. Over the next 90 days, Taylor spent almost all \$170,519.08 of A.K.'s money, including transferring over \$80,000 to other accounts controlled by Taylor from which the money was spent, making over \$40,000 in payments on outstanding personal loans of TAYLOR, writing \$9,750 in checks to himself, and spending over \$6,000 on improvements to his personal residence.

8. To avoid detection of his scheme, TAYLOR continued to forward "rent"

payments to A.K. and to fraudulently represent to A.K. that the closing had not taken place.

The \$330,000 loan:

9. It was further part of the scheme that in December of 2004 TAYLOR told A.K. that TAYLOR wanted to borrow \$330,000 from A.K. to refinance TAYLOR'S office at 1515-1517 University Drive and TAYLOR'S personal residence. TAYLOR promised to give A.K. a mortgage (*i.e.*, a promise that if the loan was not repaid, A.K. could take the property to satisfy the obligation) on the 1515-1517 University Drive property to secure the loan. TAYLOR also falsely represented to A.K. that someone had agreed to purchase 1515-1517 University Drive from TAYLOR for \$385,000. As TAYLOR knew full well, the purchase offer had only been for \$214,000 and had been made in September of 2004; this offer was no longer available in December of 2004.

10. It was further part of the scheme that on December 28, 2004, TAYLOR e-mailed a message to A.K. stating, "Attached is the mortgage for 1515/1517 University Drive. I will record the mortgage on the day that the wire is received." The attached mortgage stated that TAYLOR "covenants and warrants to [A.K.] that [TAYLOR] is indefeasibly seized of said land in fee simple; that [TAYLOR] has lawful authority to mortgage said land and that said land is free and clear of all encumbrances except as may be expressly contained herein." In fact, as TAYLOR knew full well, he did not possess the property in "fee simple" (*i.e.*, maximum legal ownership) or have title to the property or possess a deed to the property. Further, TAYLOR did not have lawful

authority to mortgage 1515-1517 University Drive because he was simply purchasing it under an unrecorded contract for deed from the true owner.

11. It was further part of the scheme that, after receiving the \$330,000 loan from A.K. via wire transfer on January 13, 2005, TAYLOR failed to record or attempt to record a mortgage on 1515-1517 University Drive. During the next 45 days, TAYLOR failed to respond to A.K.'s e-mail request for a copy of the recorded mortgage, while TAYLOR spent the entire \$330,000 he had received from A.K.

Avoid Detection:

12. On March 8, 2005, TAYLOR sent an e-mail to A.K. to further avoid detection of his scheme. In the e-mail, TAYLOR apologized for the "misinformation" and "various untruths" concerning the 420 North property, but falsely told A.K. that the "net proceeds from the 420N property were coupled with other monies and invested in other real estate Once the property is sold your investment with interest will be returned to you. . . ." In fact, as TAYLOR knew full well, the net proceeds from the 420 North property had not been invested in real estate, but had been spent by TAYLOR approximately 15 months earlier.

13. It was further part of the scheme that TAYLOR stated in the March 8, 2005 e-mail that he hoped to have the 1515-1517 University Drive property "back under contract within 30 days" and that once the property was sold, A.K. would "receive the loan amount and interest in full." In fact, as TAYLOR knew full well, he did not have fee simple ownership of 1515-1517 University Drive to sell, nor did the property have a

fair market value that would allow TAYLOR to pay A.K. the full loan and interest amount.

Execution of the Scheme

14. On or about January 13, 2005, in Coles County, in the Central District of Illinois, and elsewhere,

**ROBERT W. TAYLOR,
(Also Known As "Bear"),**

defendant herein, for the purpose of executing the scheme did cause to be transmitted in interstate and foreign commerce, by means of a wire communication, certain signs, signals, and sounds, that is, a wire transfer of \$350,000 from a bank account in Germany under A.K.'s control to A.K.'s personal bank account at First Mid-Illinois Bank & Trust in Charleston, Illinois, \$330,000 of which was transferred that same day to TAYLOR's Century 21 Bear Real Estate account at First Mid-Illinois Bank & Trust in Charleston, Illinois.

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

**COUNT TWO
(Wire Fraud)**

THE GRAND JURY CHARGES:

1.-13. The Grand Jury re-alleges and incorporates by reference Paragraphs 1 to 13 of Count One of this Indictment as though fully set forth herein.

14. On or about March 8, 2005, in Coles County, in the Central District of Illinois, and elsewhere,

**ROBERT W. TAYLOR,
(Also Known As "Bear"),**

defendant herein, for the purpose of executing the scheme did cause to be transmitted in interstate and foreign commerce, by means of a wire communication, certain signs, signals, and sounds, that is, an e-mail message from TAYLOR in Charleston, Illinois to A.K. in Germany that falsely represented that the net proceeds from the sale of the 420 North property were invested in real estate.

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

A TRUE BILL.

s/Foreperson

FOREPERSON

s/Gregory Harris for

RODGER A. HEATON
United States Attorney

ELM