

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF INDIANA  
HAMMOND DIVISION

2010 OCT 21 10 51 AM

UNITED STATES OF AMERICA )  
)  
)  
v. )  
)  
JERRY HAYMON )  
JACQUELYN DRAGO-HUNTER )  
SHEILA CHANDLER )  
PHILLIP RUCKER )

CAUSE NO.

2:10 CR 182

18 U.S.C. § 1343 (wire fraud)  
18 U.S.C. § 1028A (aggravated identity theft)

**INDICTMENT**

**COUNT ONE**  
(Wire Fraud)

THE GRAND JURY CHARGES:

At all times material to these charges:

**BACKGROUND**

1. Defendant JERRY HAYMON held himself out to be a real estate consultant.

Haymon controlled business entities known as Priced Right Construction and Management, LLC (“Priced Right”), K & L Consultants, LLC (“K & L”) and Coalition for Concern.

2. Defendant JACQUELYN DRAGO-HUNTER was an owner of Maximilian Title located in Gary and Merrillville, Indiana. Drago-Hunter was a title agent, responsible for preparing HUD-1 settlement statements, issuing title commitments, disbursing mortgage proceeds and other funds, and insuring that relevant paperwork was properly completed for real estate closings. As a title agent and loan closer, she bore a fiduciary responsibility to the banks and other lending institutions whose loans she closed.

3. Defendant SHEILA CHANDLER held herself out to be a loan processor for a licensed mortgage loan broker. In this capacity, Chandler originated residential mortgage loans using the mortgage broker license of Mortgage Company A.

4. Defendant PHILLIP RUCKER recruited individuals to purchase real estate in Gary, Indiana on behalf of Jerry Haymon.

5. Indiana state law allows a person or business to file a mechanics lien on real property for unpaid construction or home improvement work already performed. The purpose of Indiana's mechanics lien statute is to provide a lien filer with a remedy for payment for labor or materials furnished to the property.

#### **FRAUD SCHEME**

6. From on or about October 1, 2007 and continuing through on or about November 5, 2008, within the Northern District of Indiana, and elsewhere, the defendants Jerry Haymon, Jacquelyn Drago-Hunter, Sheila Chandler, Phillip Rucker, and others known and unknown to the Grand Jury, knowingly devised and intended to devise a scheme to defraud and obtain money by means of material false and fraudulent pretenses, representations and promises, which scheme is more fully described as follows:

7. It was part of the scheme that Jerry Haymon and other individuals acting on Haymon's behalf located residential properties for sale in Gary, Indiana, and convinced sellers they could help sell the properties.

8. It was further a part of the scheme that Jerry Haymon, Sheila Chandler and other individuals acting on Haymon's behalf convinced buyers to purchase these properties at prices far in excess of their fair market value. Haymon and other individuals acting on Haymon's behalf then assisted these buyers in obtaining loans to purchase the properties.

9. It was further a part of the scheme that Jerry Haymon and others acting on Haymon's behalf provided money to the buyers to deposit funds in bank accounts, purchase insurance policies, and pay closing costs. The effect of this was to falsely make it appear to the lender that the buyer was financially secure, inducing the lender to make the loan.

10. It was further a part of the scheme that Sheila Chandler prepared or caused to be prepared false and fraudulent loan applications for the buyers. The applications were submitted to lenders to obtain loans for property purchases.

11. It was further a part of the scheme that Jerry Haymon filed fake mechanics liens on properties being purchased to fraudulently obtain a portion of the loan proceeds.

12. It was further a part of the scheme that Jacquelyn Drago-Hunter prepared false and fraudulent HUD-1 settlement statements and disbursed loan proceeds.

13. It was further a part of the scheme that a portion of the funds fraudulently obtained from the scheme were shared by Jerry Haymon, Jacquelyn Drago-Hunter, Sheila Chandler, Phillip Rucker and other individuals who participated in the scheme.

14. It was further a part of the scheme that Jerry Haymon and Jacquelyn Drago-Hunter committed the following acts or caused other individuals to commit the following acts relative to a property located at **3829 Connecticut**, Gary, Indiana:

a. The real property located at 3829 Connecticut was owned by DB and JW. Jerry Haymon agreed Priced Right would buy 3829 Connecticut for \$36,000 through a signed contract.

b. Unbeknownst to DB and JW, Jerry Haymon's associate recruited SH to purchase 3829 Connecticut by offering SH \$10,000 and providing SH false documents to sign supporting SH's loan application.

c. SH's mortgage broker forged DB and JW's signature on a contract provided to SH's lender falsely giving the impression DB and JW were selling 3829 Connecticut to SH for \$74,000.

d. Jerry Haymon signed a false verification of rent form provided to SH's lender giving the impression K & L was SH's landlord and SH had paid rent for years.

e. Jerry Haymon purchased a cashier's check used by SH for closing costs.

f. Jerry Haymon filed a fake mechanics lien in the Lake County, Indiana Recorder's Office claiming Priced Right was owed \$35,000 for work performed on 3829 Connecticut. In fact, Priced Right had performed no work at the property.

g. Jerry Haymon's associate altered a bank statement provided to the lender giving the impression SH had money in a bank account.

h. On February 29, 2008 Jacquelyn Drago-Hunter conducted multiple closings for the sale of 3829 Connecticut. SH, Drago-Hunter and others attended the first closing. Drago-Hunter prepared a fraudulent HUD-1 statement falsely stating DB and JW sold 3829 Connecticut to SH for \$74,000 and falsely stating DB and JW were receiving \$36,237.71 from the balance of the sale proceeds. Drago-Hunter or someone within her control forged DB and JW's signature on this HUD-1 settlement statement. Drago Hunter disbursed \$35,000 to Priced Right from SH's loan proceeds which was not reported on the HUD-1 statement.

i. After the first closing, on the same day, JW attended a closing with Jacquelyn Drago-Hunter and Jerry Haymon. Drago-Hunter created a false HUD-1 settlement stating Priced Right purchased 3829 Connecticut for \$36,000. Drago Hunter disbursed additional funds to Maximilian not stated on either HUD-1 statement.

j. Jerry Haymon deposited the \$35,000 check issued to Priced Right into an account he controlled. He then paid a \$13,000 kickback to his associate who had recruited SH, and additional kickbacks to SH's mortgage broker, and others for their role in the scheme.

k. On or about February 28, 2008, in the Northern District of Indiana, and elsewhere, the defendants JERRY HAYMON and JACQUELYN DRAGO-HUNTER, for the purpose of executing the above described scheme to defraud and obtain money by material false and fraudulent pretenses, representations and promises, knowingly transmitted and caused to be transmitted, by means of wire transmission in interstate commerce, certain writings, signs, signals, pictures, and sounds, to wit: \$66,496.43 wire transferred from a bank account of SH's lender in Kentucky to a bank account of Maximilian Title in Chicago, Illinois.

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

**COUNT TWO**  
(Wire Fraud)

15. The Grand Jury realleges and incorporates by reference paragraphs 1 through 13.

16. It was further a part of the scheme that Jerry Haymon and Jacquelyn Drago-Hunter committed the following acts or caused other individuals to commit the following acts relative to a property located at **3617 Johnson**, Gary, Indiana.

a. The real property located at 3617 Johnson was sold by PF to EK on April 23, 2008 for \$72,000.

b. Sometime before the sale, PF met with one of Jerry Haymon's associates who agreed to find a buyer for the property. PF told the associate she wanted 46,000 from the sale.

c. On or about April 1, 2008 Jerry Haymon filed a fake mechanics lien in the Lake County, Indiana Recorder's Office claiming K & L was owed \$15,000 for work performed on 3617 Johnson. In fact, K & L had performed no work at the property.

d. On April 23, 2008 Jacquelyn Drago-Hunter conducted a closing for 3617 Johnson. Drago Hunter falsely represented that the K & L mechanics lien was \$20,964.30. She issued a check to K & L for \$20,964.30 and Jerry Haymon deposited this check into a bank account he controlled. Drago-Hunter was required to disburse money owed to a vendor who provided down payment assistance to EK. In fact, Drago-Hunter did not disburse the money at closing, or at any time, despite telling the vendor that she would provide the funds.

e. On or about April 23, 2008, in the Northern District of Indiana, and elsewhere, the defendant JERRY HAYMON and JACQUELYN DRAGO-HUNTER, for the purpose of executing the above described scheme to defraud and obtain money by material false and fraudulent pretenses, representations and promises, knowingly transmitted and caused to be transmitted, by means of wire transmission in interstate commerce, certain writings, signs, signals, pictures, and sounds, to wit: a HUD-1 settlement statement by fax from Maximillian Title in Indiana to Wintrust Mortgage in Illinois.

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

**COUNT THREE**  
(Wire Fraud)

17. The Grand Jury realleges and incorporates by reference paragraphs 1 through 13.
18. It was further a part of the scheme that Jerry Haymon, Sheila Chandler, and

Phillip Rucker committed the following acts or caused other individuals to commit the following acts relative to a property located at **3758 Buchanan Street**, Gary, Indiana:

a. The real property located at 3758 Buchanan Street was sold by MP to LS on July 14, 2008 for \$85,000. Sometime before the sale, MP and MP's daughter met with Jerry Haymon who agreed to find a buyer for approximately \$35,000.

b. Phillip Rucker recruited LS to purchase 3758 Buchanan Street by promising she would receive money after the purchase and telling her to sign numerous false documents supporting LS's loan application.

c. Someone forged MP's signature on the purchase agreement provided to the lender falsely giving the impression MP and LS had agreed the sale price was \$85,000.

d. Sheila Chandler falsely represented to the title company, the lender, and others that she was a loan processor for Mortgage Company A regarding LS's loan package.

e. Sheila Chandler completed a mortgage application for LS knowing it contained false information about LS and the person who conducted LS's interview.

f. Sheila Chandler forged or caused to be forged a verification of rent form provided to the lender falsely giving the impression LS had paid rent for a number of years.

g. Jerry Haymon purchased a cashier's check used by LS for closing costs.

h. Jerry Haymon wrote a check to an insurance company for a property insurance policy, the receipt which was used to show proof of insurance to the lender.

i. Jerry Haymon filed a fake mechanics lien in the Lake County, Indiana Recorder's Office claiming Priced Right was owed \$44,000 for work performed on 3758 Buchanan Street. Haymon also provided the title company with a fake receipt showing Priced

Right had performed \$44,000 worth of work at 3758 Buchanan Street. In fact, Priced Right had performed no work at the property.

j. After the closing, Jerry Haymon cashed the \$44,000 check issued to Priced Right and paid kickbacks in increments of \$5,000 to LS, Phillip Rucker, Sheila Chandler and others for their role in the scheme.

k. Sheila Chandler kept the money designated for Mortgage Company A.

l. On or about July 14, 2008, in the Northern District of Indiana, and elsewhere, the defendants JERRY HAYMON, SHEILA CHANDLER, and PHILLIP RUCKER, for the purpose of executing the above described scheme to defraud and obtain money by material false and fraudulent pretenses, representations and promises, knowingly transmitted and caused to be transmitted, by means of wire transmission in interstate commerce, certain writings, signs, signals, pictures, and sounds, to wit: \$84,118.48 wire transferred from a bank account of LS's lender located in Florida to a title company bank account in Northern District of Indiana in Indiana.

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

**COUNT FOUR**  
(Wire Fraud)

19. The Grand Jury realleges and incorporates by reference paragraphs 1 through 13.

20. It was further a part of the scheme that Jerry Haymon and Sheila Chandler committed the following acts or caused other individuals to commit the following acts relative to a property located at **4028 Tennessee Street**, Gary, Indiana:



a. In or about September 2007 Jerry Haymon bought a foreclosed home located at 4028 Tennessee by paying a bank \$12,000. Haymon titled the property in the name of Priced Rite.

b. Haymon sold 4028 Tennessee to GA on November 4, 2008 for \$85,000. GA is Sheila Chandler's sister.

c. Sheila Chandler falsely represented to the title company, the lender, and others that she was a loan processor for Mortgage Company A regarding GA's loan package.

d. Sheila Chandler completed a mortgage application for GA knowing it contained false information about GA's income level, the amount of money in GA's bank account, and the person who conducted GA's interview.

e. After the closing, Jerry Haymon cashed the \$49,851.82 check issued to Priced Right and paid kickbacks in increments of \$3,000 to GA, Sheila Chandler and others for their role in the scheme.

21. On or about November 3, 2008, in the Northern District of Indiana, and elsewhere, the defendants JERRY HAYMON and SHEILA CHANDLER for the purpose of executing the above described scheme to defraud and obtain money by material false and fraudulent pretenses, representations and promises, knowingly transmitted and caused to be transmitted, by means of wire transmission in interstate commerce, certain writings, signs, signals, pictures, and sounds, to wit: \$79,593.14 wire transferred from a bank account of GA's lender in Florida to a bank account of the title company in Northern District of Indiana.

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

**COUNT FIVE**

(Aggravated Identity Theft)

22. The Grand Jury realleges and incorporates herein by reference Count One.
23. On or about February 29, 2008, in the Northern District of Indiana, the defendant

JACQUELYN DRAGO-HUNTER

knowingly used without lawful authority, a means of identification of another person, that is, the name of DB, during and in relation to the federal felony of wire fraud, as set forth in Count One of this Indictment.

All in violation of Title 18, United States Code, Section 1028A.

**COUNT SIX**

(Aggravated Identity Theft)

24. The Grand Jury realleges and incorporates herein by reference Count One.
25. On or about February 29, 2008, in the Northern District of Indiana, the defendant

JACQUELYN DRAGO-HUNTER

knowingly used without lawful authority, a means of identification of another person, that is, the name of JW, during and in relation to the federal felony of wire fraud, as set forth in Count One of this Indictment.

All in violation of Title 18, United States Code, Section 1028A.

**FORFEITURE**

1. The allegations in Counts One, Two, Three and Four of this Indictment are re-alleged as if fully set forth here.

2. If any of defendants,

**JERRY HAYMON  
JACQUELYN DRAGO-HUNTER  
SHEILA CHANDLER  
PHILLIP RUCKER**

are convicted of wire fraud in violation of Title 18, United States Code, Section 1343 set forth in Counts One, Two, Three and Four of this Indictment, the convicted defendant(s) shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c) any real or personal property which constitutes or is derived from proceeds traceable to the offense(s), but is not limited to, the following:

**MONEY JUDGMENT**

A sum of money equal to \$301,247.13 in United States currency, representing the amount of proceeds obtained as a result of the offenses in Counts One, Two, Three and Four for which the defendants are jointly and severally liable.

**SUBSTITUTE ASSETS**

If any such forfeitable property, as a result of any act or omission of one or more of 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;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant up to the value of the property which constitutes or is derived from proceeds traceable to the offenses.

All pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 982, and 28 U.S.C. § 2461(c).

A TRUE BILL:

/s/ Foreperson  
FOREPERSON

DAVID A. CAPP  
UNITED STATES ATTORNEY

By: /s/ Gary T. Bell  
Gary T. Bell  
Assistant United States Attorney  
Northern District of Indiana