

JK

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUDGE BUCKLO

UNITED STATES OF AMERICA)
)
 v.)
 SHAUN CROSS,)
 EVELYN ALLEN,)
 LATONYA ALLEN,)
 JENNIFER RICHARDSON,)
 AZUREEIAH O'CONNOR,)
 ERICA DAVIS WELLS,)
 STEPHANIE SCOTT,)
 LYNELLE WELLS, and)
 MONIQUE HOBSON)

MAGISTRATE JUDGE LEVIN

No.

05CR0672

) Violations: Title 18,
) United States Code,
) Sections 1014, 1341,
) 1343, and 2

FILED

JUL 27 2005 *JK*

COUNT ONE

The SPECIAL MARCH 2004 GRAND JURY charges:

MICHAEL W. JOHNS
CLERK, U.S. DISTRICT COURT

1. At times material to this indictment:

(a) Defendant SHAUN CROSS, doing business as Crosswell Financial, at various locations in the Chicagoland area, bought and sold residential properties and acted as a broker for the purchase and sale of residential properties.

(b) Defendant SHAUN CROSS owned Title First, an entity which held itself out as being a title company and escrow agent for real estate transactions. Defendant SHAUN CROSS operated Title First at various locations in the Chicagoland area,

(c) Defendants EVELYN ALLEN and LATONYA ALLEN operated a loan processing business called Dreamkeepers located in Glenwood, Illinois.

(d) Defendant JENNIFER RICHARDSON was a loan processor for

Hamilton Financial, an Oak Brook, Illinois based mortgage brokerage company.

(e) Defendant AZUREEIAH O'CONNOR was a loan officer for Express Mortgage and Home First Mortgage, Chicago mortgage brokerage companies.

(f) Defendants ERICA DAVIS WELLS and STEPHANIE SCOTT, were associates of defendant SHAUN CROSS who referred loan applicants to defendant SHAUN CROSS.

(g) Defendant LYNELLE WELLS was a bank employee at TCF Bank, a financial institution located in Chicago, who had the authority to open personal and corporate accounts, and to verify deposits and bank statements.

(h) Defendant MONIQUE HOBSON was an associate of defendant SHAUN CROSS who started a company named MDH Enterprises. Defendant MONIQUE HOBSON also verified employment for one of defendant SHAUN CROSS' loan applicants.

(i) Accubanc, First Alliance Bank, Wells Fargo and Flagstar Bank were financial institutions insured by the FDIC and in the business of funding loans for the purchase of residential properties.

(j) The Department of Housing and Urban Development ("HUD") is a federal agency that insures mortgages on qualifying properties. In the event of a default on a HUD insured mortgage, HUD forecloses on the mortgage and re-sells the property.

2. Beginning no later than September 2000 and continuing until at least January 2003, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHAUN CROSS,
EVELYN ALLEN,
LATONYA ALLEN,
AZUREEIAH O'CONNOR,
JENNIFER RICHARDSON,
ERICA DAVIS WELLS,
STEPHANIE SCOTT,
LYNELLE WELLS, and
MONIQUE HOBSON,

defendants herein, together with others known and unknown, devised, intended to devise, and participated in a scheme to defraud and to obtain money from financial institutions, including Accubanc, First Alliance Bank, Flagstar Bank, and Wells Fargo, and mortgage lenders, including Fieldstone Mortgage, Washington Mutual Bank, InterFirst, Fairbanks Capital, RBMG Inc., Matrix Financial Services, Accredited Home Lenders, DiTech, Ivanhoe Financial, Taylor, Bean & Whitaker, Encore Credit Corp., First Capital Mortgage and Ppeople's Choice Home Loan, by means of materially false and fraudulent pretenses, representations, and promises and in furtherance thereof, used the United States mails and other interstate carriers, and interstate wires, which scheme is further described below.

3. It was part of the scheme that from no later than September 2000 until in or about November 2002, defendants obtained over \$6.2 million in mortgage loan proceeds from mortgage lenders, including Fieldstone Mortgage, Washington Mutual Bank, InterFirst, Flagstar Bank among others (hereinafter referred to collectively as "Lenders"), by submitting false and fraudulent loan applications and inflated appraisals to the Lenders on behalf of the loan applicants who were "straw buyers" and who had no intention of occupying the

properties or fulfilling the long-term payment obligations of the mortgages issued for the purchase of these properties. In furtherance of the scheme, defendant SHAUN CROSS paid money to loan officers/processors at mortgage brokerage companies for finding lenders to fund the mortgage loans.

4. It was part of the scheme that defendant SHAUN CROSS arranged to act as a broker for the sale of the certain residential properties, including foreclosed properties.

5. It was further part of the scheme that defendant SHAUN CROSS and defendant EVELYN ALLEN identified certain residential properties being offered for sale by HUD and arranged to purchase these properties for cash.

6. It was further part of the scheme that defendants SHAUN CROSS, ERICA DAVIS WELLS, STEPHANIE SCOTT, and other co-schemers arranged for the purchase of private residential properties and HUD properties using straw buyers, knowing that the straw buyers did not intend to occupy the properties or fulfill any long term payment obligations for mortgages on said properties.

7. It was further part of the scheme that defendant SHAUN CROSS, MONIQUE HOBSON, LYNELLE WELLS, and other co-schemers prepared and caused to be prepared fraudulent documentation to be provided to the lenders for the purchase of the residential properties including false loan applications, false and inflated appraisals, false verifications of employment, false verifications of rent, fraudulent verifications of deposit, and false and fraudulent earnest money checks.

8. It was further part of the scheme that defendants EVELYN ALLEN, LATONYA ALLEN, AZUREEIAH O'CONNOR, and JENNIFER RICHARDSON, who were employed as or acted as loan officers/processors for various mortgage brokerage companies, knowingly secured funding for completed fraudulent loan packages in exchange for money.

9. It was further part of the scheme that, contrary to the representations contained in certain loan application packages, defendants EVELYN ALLEN, LATONYA ALLEN, AZUREEIAH O'CONNOR, and JENNIFER RICHARDSON, had not personally met with the loan applicants prior to obtaining funding for their loans, knew that the applicants were not the real parties interested in purchasing the properties and knew that the applicants did not intend to pay the mortgages on the properties.

10. It was further part of the scheme that defendants ERICA DAVIS WELLS, MONIQUE HOBSON and others falsely verified employment and rent information on behalf of loan applicants, knowing the information to be false.

11. It was further part of the scheme that defendant SHAUN CROSS arranged for Title First to be used as the closing and escrow agent for a number of residential property purchases, knowing that Title First was not a legitimate title company and knowing that Title First would not and did not take steps to properly distribute the loan proceeds or secure the interest of the lender.

12. It was further part of the scheme that on or before to September 8, 2000,

defendants SHAUN CROSS and EVELYN ALLEN knowingly submitted and caused to be submitted a residential loan application which contained false and fraudulent information, including false employment, rent and income information, to Fairbanks Capital Credit to obtain a mortgage loan in the name of Straw buyer RV in the amount of \$112,000 for the purchase of a property located at 2010 S. 4th Avenue, Maywood, Illinois.

13. It was further part of the scheme that on or before November 27, 2000, defendants SHAUN CROSS, LYNELLE WELLS, and LATONYA ALLEN knowingly submitted and caused to be submitted a residential loan application which contained false and fraudulent information, including false employment, rent and financial information, to InterFirst to obtain a mortgage loan in the name of Straw buyer RF in the amount of \$171,000 for the purchase of a property located at 1640 S. Trumbull, Chicago, Illinois.

14. It was further part of the scheme that on or before April 25, 2001, defendants SHAUN CROSS and ERICA DAVIS WELLS knowingly submitted and caused to be submitted a residential loan application which contained false and fraudulent information, including false employment, rent and income information, to Accredited Home Lenders to obtain two mortgage loans in the name of Straw buyer DP in the amounts of \$136,000 and \$34,000 for the purchase of a property located at 4324 S. St. Lawrence, Chicago, Illinois.

15. It was further part of the scheme that on or before May 23, 2002, defendants SHAUN CROSS, STEPHANIE SCOTT, and AZUREEIAH O'CONNOR knowingly submitted and caused to be submitted a residential loan application which contained false and

fraudulent information, including false employment, rent and financial information, to Taylor, Bean and Whitaker, a mortgage lender, to obtain a mortgage loan in the name of Straw buyer KD in the amount of \$137,750 for the purchase of a property located at 2010 S. 4th Avenue, Maywood, Illinois.

16. It was further part of the scheme that on or before August 14, 2002, defendants SHAUN CROSS, STEPHANIE SCOTT, and JENNIFER RICHARDSON knowingly submitted and caused to be submitted a residential loan application which contained false and fraudulent information, including false employment, rent and financial information, to First Alliance Bank to obtain a mortgage loan in the name of Straw buyer DH in the amount of \$300,700 for the purchase of a property located at 5029 Harbor Lane, Richton Park, Illinois.

17. It was further part of the scheme that from September 2000 through November 2002, the defendants and their co-schemers fraudulently obtained approximately 35 loans totaling approximately \$6.2 million. The defendants and their co-schemers caused lenders to suffer approximately \$4.3 million in losses related to loans on approximately 13 properties.

18. It was further part of the scheme that defendants did conceal and hide and caused to be concealed and hidden acts done in furtherance of the scheme.

19. On or about June 12, 2001, for the purpose of executing the above-described scheme and attempting to do so,

SHAUN CROSS and
EVELYN ALLEN,

defendants herein, knowingly caused to be delivered by Federal Express, a commercial

interstate courier, an envelope containing loan documents for the property located at 2111 S. Central Park, Chicago, Illinois, which envelope was addressed as follows:

Broad Street Mortgage Co.
333 Pierce Road, Suite 100
Itasca, IL 60143;

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

COUNT TWO

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.
2. On or about November 27, 2000, for the purpose of executing the above-described scheme,

SHAUN CROSS,
LATONYA ALLEN and
LYNELLE WELLS,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: an interstate wire transfer of funds in the amount of approximately \$174,155 from Standard Federal Bank, Troy, Michigan to LaSalle Bank, Chicago, Illinois, which funds transfer represented the proceeds of a mortgage loan issued to the buyer of the property located at 1640 S. Trumbull, Chicago, IL

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

COUNT THREE

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about January 12, 2001, for the purpose of executing the above-described scheme and attempting to do so,

SHAUN CROSS and
LYNELLE WELLS,

defendants herein, knowingly caused to be delivered by the Federal Express, a commercial interstate courier, an envelope containing a check in the amount of \$141,890.24 to fund the mortgage loan to purchase the property located at 6048 White Birch Lane, Matteson, Illinois, which envelope was addressed as follows:

Title One
925 W. 175th Street
Homewood, IL 60430;

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

COUNT FOUR

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.
2. On or about April 25, 2001, for the purpose of executing the above-described scheme,

SHAUN CROSS and
ERICA DAVIS WELLS,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: an interstate wire transfer of funds in the amount of approximately \$33,333 from Bank of America, San Francisco, California, to Law Title, Chicago, Illinois, which funds transfer represented the proceeds of a mortgage loan issued to the buyer of the property located at 4324 S. St. Lawrence, Chicago, Illinois;

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

COUNT FIVE

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.
2. On or about September 13, 2000, for the purpose of executing the above-described scheme and attempting to do so,

SHAUN CROSS and
EVELYN ALLEN,

defendants herein did knowingly cause to be delivered by the United Postal Service, an envelope containing a check in the amount of \$54,677.87 to pay off an existing loan on the property located at 2010 S. 4th Avenue, Maywood, Illinois, which envelope was addressed as follows:

Aames
3815 South West Temple
Salt Lake City, UT 84115;

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

COUNT SIX

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.
2. On or about June 29, 2001, for the purpose of executing the above-described scheme,

SHAUN CROSS and
AZUREELAH O'CONNOR,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: a wire communication from Accredited Home Lenders, San Diego, California, to Law Title, Chicago, Illinois transmitting payoff information for the existing loan on the property located at 4324 S. St. Lawrence, Chicago, Illinois;

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

COUNT SEVEN

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.
2. On or about August 28, 2001, for the purpose of executing the above-described scheme,

SHAUN CROSS and
MONIQUE HOBSON,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: an interstate wire transfer of funds in the amount of approximately \$287,334 from Standard Federal Bank, Troy, Michigan to TCF Bank, Rockford, Illinois, which funds transfer represented the proceeds of a mortgage loan issued to the buyer of the property located at 4324 S. St. Lawrence, Chicago, Illinois;

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

COUNT EIGHT

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about October 4, 2001, for the purpose of executing the above-described scheme,

SHAUN CROSS and
LATONYA ALLEN,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: an interstate wire transfer of funds in the amount of approximately \$149,314 from Standard Federal Bank, Troy Michigan to Bank of Homewood, Homewood, Illinois, which funds transfer represented the proceeds of a mortgage loan issued to the buyer of the property located at 4721 W. Superior, Chicago, Illinois;

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

COUNT NINE

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby recalled and incorporated herein by reference.

2. On or about May 22, 2002, for the purpose of executing the above-described scheme,

SHAUN CROSS,
AZUREEIAH O'CONNOR and
STEPHANIE SCOTT,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: a wire communication from Taylor, Bean & Whitaker, Ocala, Florida to Home First Mortgage, Chicago, Illinois, transmitting a Closing Fee Summary for the mortgage loan to purchase the property located at 2010 S. 4th Avenue, Maywood, Illinois;

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

COUNT TEN

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.
2. On or about May 29, 2002, for the purpose of executing the above-described scheme,

SHAUN CROSS,
JENNIFER RICHARDSON,
STEPHANIE SCOTT and
MONIQUE HOBSON,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: an interstate wire transfer of funds in the amount of approximately \$213,107 from Flagstar Bank, Troy Michigan to Charter One Bank, Wilmington, Illinois, which funds transfer represented the proceeds of a mortgage loan issued to the buyer of the property located at 4829 S. Champlain, Chicago, Illinois;

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

COUNT ELEVEN

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.
2. On or about August 14, 2002, for the purpose of executing the above-described scheme,

SHAUN CROSS,
JENNIFER RICHARDSON and
STEPHANIE SCOTT,

defendants herein did knowingly cause to be transmitted by means of a wire communication in interstate commerce, certain signs, signals and sounds, namely: an interstate wire transfer of funds in the amount of approximately \$305,898 from Independent Bank of Orlando, Florida to Charter One Bank, Chicago, Illinois, which funds transfer represented the proceeds of a mortgage loan issued to the buyer of the property located at 5029 Harbor Lane, Richton Park, Illinois;

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

COUNT TWELVE

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about April 19, 2002, in Chicago, in the Northern District of Illinois, Eastern Division,

SHAUN CROSS and
JENNIFER RICHARDSON,

defendants herein, knowingly made and caused to be made a false statement to Flagstar Bank, a financial institution the accounts of which were then insured by the Federal Deposit Insurance Corporation, for the purpose of influencing Flagstar Bank in approving a mortgage loan application for GR, in that on an application for a \$210,000 mortgage loan on the property located at 4829 S. Champlain, Chicago, Illinois, defendants SHAUN CROSS and JENNIFER RICHARDSON falsely represented or caused to be represented that defendant JENNIFER RICHARDSON, acting as the loan officer, had completed the application with a face to face interview of GR, whereas in truth and fact as the defendants well knew JENNIFER RICHARDSON had never met or spoken with GR;

In violation of Title 18, United States Code, Section 1014.

COUNT THIRTEEN

The SPECIAL MARCH 2004 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 18 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about July 18, 2002, in Chicago, in the Northern District of Illinois, Eastern Division,

SHAUN CROSS and
JENNIFER RICHARDSON,

defendants herein, knowingly made and caused to be made a false statement to First Alliance Bank, a financial institution the accounts of which were then insured by the Federal Deposit Insurance Corporation, for the purpose of influencing said bank in approving a mortgage loan application of DH, in that on an application for a \$332,500 mortgage loan on the property located at 5029 Harbor Lane, Richton Park, Illinois, defendants SHAUN CROSS and JENNIFER RICHARDSON falsely represented or caused to be represented that defendant JENNIFER RICHARDSON, acting as the loan officer, had completed the application with a face to face interview of DH, whereas in truth and fact, as the defendants well knew JENNIFER RICHARDSON had never met or spoken with DH;

In violation of Title 18, United States Code, Section 1014.

FORFEITURE ALLEGATION ONE

The SPECIAL MARCH 2004 GRAND JURY further alleges:

1. The allegations contained in Counts 1 through 13 of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of his violation of Title 18, United States Code, Sections 1341 and 1343 and as alleged in the foregoing Indictment,

SHAUN CROSS,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section, 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendants subject to forfeiture pursuant to Title 18, United States Code, Section, 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include but are not limited to the sum of approximately \$6,277,000.

4. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendant:

- (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 under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

FORFEITURE ALLEGATION TWO

The SPECIAL MARCH 2004 GRAND JURY further alleges:

1. The allegations contained in Counts 1 through 13 of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of their violation of Title 18, United States Code, Sections 1341 and 1343 and as alleged in the foregoing Indictment,

EVELYN ALLEN, and
LATONYA ALLEN,

defendants herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section, 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offense.

3. The interests of the defendants subject to forfeiture pursuant to Title 18, United States Code, Section, 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include but are not limited to the sum of approximately \$2,446,000.

4. If any of the property subject to forfeiture and 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 under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:


FOREPERSON


UNITED STATES ATTORNEY

No.:

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

vs.

SHAUN CROSS, EVELYN ALLEN, LATONYA ALLEN, JENNIFER RICHARDSON, AZUREEIAH O'CONNOR, ERICA
DAVIS WELLS, STEPHANIE SCOTT, LYNELLE WELLS, AND MONIQUE HOBSON

INDICTMENT

In violation of: TITLE 18, UNITED STATES CODE, SECTION 1341
TITLE 18, UNITED STATES CODE, SECTION 1343
TITLE 18, UNITED STATES CODE, SECTION 1014

A true bill.

Foreman Opa

Foreman

Filed in open court this _____ day

of *July* _____ A.D. *2005*

MICHAEL W. DOBBS

Bail, \$

Michael W. Dobbs