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DEC 13 2005

MAGISTRATE JUDGE VALDEZ

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

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

JUDGE DER-YEGHIAYAN

No **05CR1003**

Violations: Title 18,
United States Code,
Section 1344 and 2

RECEIVED

DEC 13 2005

MAGISTRATE JUDGE JEFFREY COLE
UNITED STATES DISTRICT COURT

UNITED STATES OF AMERICA)
)
 v.)
)
 MARK J. HELFAND)
 MARIA JACKSON)
 DAWN JACKSON)
 also known as "Dawn Brantley")
 JACQUELINE JACKSON)
 also known as "Jackie Jackson")

COUNT ONE

The SPECIAL FEBRUARY 2005-1 GRAND JURY charges:

1. At times material to this indictment:

(a) Defendant MARK J. HELFAND was an attorney licensed to practice law in the State of Illinois.

(b) Defendant MARIA JACKSON originated mortgage loans as a loan officer for a mortgage brokerage firm known as Aarhus & Associates, Ltd. ("Aarhus").

(c) Defendant DAWN JACKSON, also known as "Dawn Brantley," was a licensed real estate appraiser.

(d) Defendant JACQUELINE JACKSON, also known as "Jackie Jackson," originated mortgage loans as a loan officer for Aarhus.

(e) Flagstar Bank, F.S.B. ("Flagstar") was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation. Flagstar engaged in residential mortgage lending in the Northern District of Illinois through certain mortgage brokerage firms, which entered into agreements

with Flagstar to originate residential mortgage loans. Flagstar entered into such agreements with Aarhus and a mortgage brokerage firm known as Home Financial of America Corporation ("Home Financial"), among other mortgage firms.

(f) Flagstar's mortgage loan originators, including Aarhus and Home Financial, were responsible for obtaining background information from mortgage loan applicants regarding their qualifications for loans, including information regarding their employment, income, assets, and liabilities; completing loan applications on behalf of the applicants; obtaining appraisals of the property intended to serve as security for the loans; and submitting the applications, appraisals, and supporting documentation to Flagstar for review and approval.

(g) In determining whether to approve a mortgage loan application, Flagstar not only considered the applicant's background information, Flagstar considered the ratio of the proposed loan amount to the value of the property that would be securing the loan. In so doing, Flagstar relied on the property appraisals submitted with the loan applications. Among the other factors considered by Flagstar in determining whether to approve a loan application was the amount of money to be invested by the applicant in the property that would be securing the loan, including the amount of any down payment to be made by the applicant.

(h) When a mortgage loan application and accompanying documentation satisfied Flagstar's lending criteria, Flagstar would approve a loan and issue the loan proceeds at the time of the closing.

2. Beginning in or about 1999 and continuing until in or about 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND,
MARIA JACKSON,
DAWN JACKSON,
also known as "Dawn Brantley," and
JACQUELINE JACKSON,
also known as "Jackie Jackson,"

defendants herein, together with James J. Jackson, Jr. and others, devised, intended to devise, and participated in a scheme to defraud and to obtain money and funds owned by and under the custody and control of Flagstar, by means of materially false and fraudulent pretenses, representations, and promises, as described below.

3. It was part of the scheme that defendants MARK J. HELFAND, MARIA JACKSON, DAWN JACKSON, and JACQUELINE JACKSON acquired residential properties in Chicago, Illinois, with the intent of quickly reselling the properties at higher prices (sometimes referred to as property "flipping"). Defendants MARK J. HELFAND, MARIA JACKSON, DAWN JACKSON, and JACQUELINE JACKSON typically acquired properties which were in need of renovation and rehabilitation and which were listed for sale at prices below

\$50,000. Defendant MARK J. HELFAND and another attorney supplied the funds to purchase the properties. The JACKSONS then sought out individuals to whom they could immediately resell the properties.

4. It was further part of the scheme that defendant MARIA JACKSON, her husband James J. Jackson, Jr., and defendant JACQUELINE JACKSON solicited friends and relatives to buy properties from them, enticing potential buyers by promising to help them pay for any needed property renovations and repairs and by promising to help them obtain mortgage loans to pay for the properties. Defendant MARIA JACKSON, James J. Jackson, Jr., and defendant JACQUELINE JACKSON persuaded a number of individuals to purchase properties, at least some of whom could not afford to purchase the properties and were not financially qualified for mortgage loans.

5. It was further part of the scheme that defendant MARIA JACKSON, James J. Jackson, Jr., and defendant JACQUELINE JACKSON gathered background information from potential buyers and caused mortgage loan applications to be prepared on their behalf. At times, defendant MARIA JACKSON, James J. Jackson, Jr., and defendant JACQUELINE JACKSON prepared mortgage loan applications as loan officers for Aarhus. Defendant MARIA JACKSON also referred potential buyers to Home Financial for preparation of loan applications.

6. It was further part of the scheme that defendant MARIA

JACKSON, James J. Jackson, Jr., defendant JACQUELINE JACKSON, and others caused materially false information to be placed in mortgage loan applications -- including false information regarding applicants' income, assets, employment, the source of any down payments and/or the amount of cash to be supplied by the applicants toward the purchase of the properties -- all so that the applicants would appear to be qualified for mortgage loans.

7. It was further part of the scheme that defendants MARK J. HELFAND, MARIA JACKSON, and others caused false documents to be created -- including false verifications of deposit, employment, and rent -- to support the mortgage loan applications of the individuals to whom they intended to sell properties. For example, on or about January 19, 2000, defendant MARK J. HELFAND caused a false verification of deposit to be created by obtaining a \$27,000 cashier's check for a property buyer and causing that cashier's check to be deposited into a bank account opened in the property buyer's name. On or about January 20, 2000, the day after a written verification of deposit was generated, defendant MARK J. HELFAND caused the withdrawal of the \$27,000 in funds that had been deposited into the account the day before, and the account was closed. Defendant MARK J. HELFAND caused that account to be used for the sole purpose of creating a false verification of deposit to lead Flagstar to believe that the property buyer had sufficient funds of her own to contribute toward the purchase of the property.

8. It was further part of the scheme that defendant DAWN JACKSON prepared property appraisal reports that misrepresented the current conditions and fair market values of the properties that defendants MARK J. HELFAND, MARIA JACKSON, and JACQUELINE JACKSON intended to sell. On at least one occasion, defendant DAWN JACKSON prepared an appraisal of a property that she herself intended to sell. Defendant DAWN JACKSON appraised properties as if they had been rehabbed and renovated, when in fact, as she well knew, the properties needed to be rehabbed and renovated in order to achieve the appraised values given by her. In her appraisal reports, defendant DAWN JACKSON also falsely represented that the subject properties were comparable in value to properties which she knew had greater values. Defendant DAWN JACKSON made such false representations for purposes of leading Flagstar to believe that the subject properties were worth more than their current fair market values.

9. It was further part of the scheme that defendants MARIA JACKSON, JACQUELINE JACKSON, and others caused fraudulent mortgage loan applications and supporting documents, including the inflated appraisal reports prepared by defendant DAWN JACKSON, to be submitted to Flagstar for approval. Defendants MARIA JACKSON and JACQUELINE JACKSON caused the loan application documents to be submitted to Flagstar through Aarhus and Home Financial. As defendants MARIA JACKSON, DAWN JACKSON, and JACQUELINE JACKSON well

knew, Flagstar would rely on the false statements contained in the loan applications and accompanying documents which they caused to be submitted to Flagstar. The false statements in those documents were material to Flagstar's decisions to issue mortgage loans to the applicants, and were made for the purpose of inducing Flagstar to issue loans in amounts greater than the fair market values of the properties and to individuals who were not qualified for the loans.

10. It was further part of the scheme that defendant MARK J. HELFAND attended the closings for the sale of the properties. Defendant MARK J. HELFAND attended the closings in the capacity of attorney for the sellers of the properties.

11. It was further part of the scheme that defendant MARK J. HELFAND wrote checks at the closings on behalf of the property buyers so that they could buy the properties at the inflated prices at which he and the JACKSONS had schemed to sell the properties. Defendant MARK J. HELFAND wrote those checks in amounts sufficient to cover the buyers' down payments and closing costs, and caused the closing settlement statements to falsely state that the funds came from the buyers, all so that the deals would close and Flagstar would issue mortgage loan proceeds to the buyers.

12. It was further part of the scheme that defendant MARK J. HELFAND gave instructions to agents of the closing company as to how the loan proceeds from Flagstar should be disbursed at the

closings. At defendant MARK J. HELFAND's direction, a portion of Flagstar's loan proceeds were disbursed to him at each closing to reimburse him for any funds that he had fronted to the buyers for their down payments. Defendant MARK J. HELFAND directed the closing agents to issue additional checks payable to him or to a company that he controlled, known as Beam Financial, for having previously supplied funds to purchase the properties. Defendant MARK J. HELFAND caused those payments to be mischaracterized on the closing settlement statements and other closing documents as payoffs of "first mortgages" and "second mortgages," when in fact no such mortgages existed, as he had previously purchased the properties through cash deals. Flagstar's funds also were used at the closings to pay closing costs, including defendant MARK J. HELFAND's attorney fees and the appraisal fees of defendant DAWN JACKSON. At defendant MARK J. HELFAND's direction, the remaining loan proceeds typically were disbursed to him and to defendants MARIA JACKSON, JACQUELINE JACKSON, James J. Jackson, Jr., and others.

13. As a result of the fraudulent acts of defendants MARK J. HELFAND, MARIA JACKSON, DAWN JACKSON, JACQUELINE JACKSON, James J. Jackson, Jr., and others, Flagstar funded numerous mortgage loans, in an amount totaling more than \$774,000. As a further result of the fraudulent acts of defendants MARK J. HELFAND, MARIA JACKSON, DAWN JACKSON, JACQUELINE JACKSON, James J. Jackson, Jr., and

others, Flagstar incurred financial losses when the borrowers defaulted on the mortgage loans. Flagstar was unable to fully recover the amounts due on the loans by foreclosing on the mortgages because Flagstar had issued loans in amounts greater than the fair market values of the properties as a result of defendant DAWN JACKSON's inflated appraisals.

14. On or about September 28, 1999, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND,
MARIA JACKSON, and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$54,451 to a buyer of the property located at 6447 South Honore, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT TWO

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about September 30, 1999, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND,
DAWN JACKSON,
also known as "Dawn Brantley," and
JACQUELINE JACKSON,
also known as "Jackie Jackson,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$63,601 to a buyer of the property located at 9239 South Drexel, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT THREE

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about November 4, 1999, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$62,984 to a buyer of the property located at 11641 South Lowe, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FOUR

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about November 4, 1999, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$63,265 to a buyer of the property located at 8735 South Saginaw, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT FIVE

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about January 5, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$59,319 to a buyer of the property located at 6738 South Elizabeth, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT SIX

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about January 19, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$51,416 to a buyer of the property located at 2039 West 70th Street, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT SEVEN

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about January 20, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$59,079 to a buyer of the property located at 8024 South Muskegon, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT EIGHT

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about February 4, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$48,429 to a buyer of the property located at 6829 South Carpenter, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT NINE

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about May 2, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND and
DAWN JACKSON,
also known as "Dawn Brantley,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$63,280 to a buyer of the property located at 7950 South Marquette, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT TEN

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about May 5, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND,
DAWN JACKSON,
also known as "Dawn Brantley," and
JACQUELINE JACKSON,
also known as "Jackie Jackson,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$112,327 to a buyer of the property located at 10259 South Commercial, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT ELEVEN

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about June 5, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND,

defendant herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$65,142 to a buyer of the property located at 24 West 109th Place, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

COUNT TWELVE

The SPECIAL FEBRUARY 2005-1 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 13 of Count One of this indictment are hereby realleged and incorporated herein by reference.

2. On or about June 9, 2000, at Evergreen Park, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARK J. HELFAND,
DAWN JACKSON,
also known as "Dawn Brantley," and
JACQUELINE JACKSON,
also known as "Jackie Jackson,"

defendants herein, knowingly executed and attempted to execute the above-described scheme by causing Flagstar to fund a mortgage loan in the amount of approximately \$70,924 to a buyer of the property located at 8543 South Escanaba, Chicago, Illinois;

In violation of Title 18, United States Code, Sections 1344 and 2.

FORFEITURE ALLEGATIONS

The SPECIAL FEBRUARY 2005-1 GRAND JURY further alleges:

1. The allegations in Counts One through Twelve of this indictment are hereby realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2).

2. As a result of his violations of Title 18, United States Code, Section 1344, as alleged in Counts One through Twelve,

MARK J. HELFAND,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any and all right, title, and interest he may have in any property constituting, and derived from, proceeds he obtained directly and indirectly as the result of such violations.

3. The interests of defendant MARK J. HELFAND subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(2), includes the sum of approximately \$774,000.

4. If any of the forfeitable property described above, as a result of any act or omission by defendant MARK J. HELFAND:

- (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 18, United States Code, Section 982(b)(1);

All pursuant to Title 18, United States Code, Section 982(a)(2).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY