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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JUDGE GRADY

MAGISTRATE JUDGE KIM

UNITED STATES OF AMERICA	)	**UNDER SEAL**
	)	
v.	)	No. 13 CR 688
	)	
KATHLEEN NIEW	)	Violations: Title 18, United States Code,
	)	Section 1343

FILED
8-27-13
AUG 27 2013
THOMAS G BRUTON
CLERK, U S DISTRICT COURT

COUNT ONE

The SPECIAL AUGUST 2012 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant KATHLEEN NIEW was an attorney licensed to practice law in the State of Illinois and operated Niew Legal Partners, LLC, a law firm located in Oak Brook, Illinois.

b. As part of her law practice, defendant KATHLEEN NIEW maintained an attorney escrow account at Harris Bank where she kept client funds pending completion of legal transactions, such as real estate closings.

c. Victims A and B, a husband and wife residing in the Northern District of Illinois, were clients of defendant KATHLEEN NIEW and transferred by means of interstate wire transfers to defendant's attorney escrow account approximately $2.34 million, which funds were only to be used for closings on commercial property transactions for Victims A and B.

2. Beginning no later than in or around January 2010, and continuing until in or around December 2012, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, devised, intended to devise, and participated in a scheme to defraud, and to obtain

money from Victims A and B by means of materially false and fraudulent pretenses, representations, and promises, and by means of concealment of material facts, which scheme is further described below.

3. It was part of the scheme that defendant KATHLEEN NIEW obtained approximately $2.34 million from Victims A and B, deposited the money into her attorney escrow account, and used the funds for her own benefit, contrary to her representations to Victims A and B and others.

4. It was further part of the scheme that defendant KATHLEEN NIEW convinced Victims A and B to transfer $2.34 million of their funds into her attorney escrow account by falsely stating that the funds would be safe and secure in her custody and would be used only to close real estate transactions for commercial properties on behalf of Victims A and B.

5. It was further part of the scheme that defendant KATHLEEN NIEW used Victim A's and B's funds, without their knowledge, to finance the purchases of various mining operations, such as Mining Operations A, B, and C, and not for the purchase of any commercial property for Victims A and B.

6. It was further part of the scheme that defendant KATHLEEN NIEW arranged for herself to receive a finder's fee of approximately 20% from Mining Operation A in exchange for providing it approximately $1.5 million of funds, which funds belonged to Victims A and B.

7. It was further part of the scheme that defendant KATHLEEN NIEW falsely represented to Victims A and B that their funds were still in her attorney escrow account and available for real estate closings, when in fact, defendant had already sent these funds by wire transfer to the mining operations.

8. It was further part of the scheme that defendant KATHLEEN NIEW scheduled real

estate closings for Victims A and B and falsely represented to Victims A and B that she had requested the funds needed to purchase the real estate to be sent by wire transfer to the title companies conducting the real estate closings, when defendant knew that she had already sent the victims' funds to the mining operations and did not have custody or control of the funds.

9. It was further part of the scheme that defendant KATHLEEN NIEW, in order to conceal the scheme, provided to Victims A and B fraudulent wire transfer instructions purportedly showing that she requested the transfer of Victims A's and B's funds to the title companies to purchase real estate, when defendant knew she had not requested wire transfers.

10. It was further part of the scheme that defendant KATHLEEN NIEW, in order to conceal the scheme, falsely represented to Victims A and B that their funds did not arrive by wire transfer for the closings because the bank had erroneously sent the funds to the wrong bank accounts, when defendant knew she had not requested any wire transfer of the victims' funds.

11. It was further part of the scheme that defendant KATHLEEN NIEW concealed, misrepresented, and hid and caused to be concealed, misrepresented, and hidden the existence and purpose of the scheme and the acts done in furtherance of the scheme.

12. On or about October 6, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $400,000 from Victim A's bank account

at US Bank through the Fedwire system in New Jersey to defendant's attorney escrow account at Harris Bank, which funds represented Victim A's and B's funds for real estate closings;

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

COUNT TWO

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about October 7, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $350,000 from defendant's attorney escrow account at Harris Bank through the Fedwire system in New Jersey to Mining Operation B's account at Bank of America, which funds represented Victim A's and B's funds for real estate closings;

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

COUNT THREE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about October 11, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $350,000 from Victim A's bank account at Bank of America through the Fedwire system in New Jersey to defendant's attorney escrow account at Harris Bank, which funds represented Victim A's and B's funds for real estate closings;

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

COUNT FOUR

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about November 16, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $400,000 from defendant's attorney escrow account at Harris Bank through the Fedwire system in New Jersey to Mining Operation A's account at Wells Fargo Bank, which funds represented Victims A's and B's funds for real estate closings;

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

COUNT FIVE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about November 22, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $390,000 from Victim A's bank account at Bank of America through the Fedwire system in New Jersey to defendant's attorney escrow account at Harris Bank, which funds represented Victim A's and B's funds for real estate closings;

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

COUNT SIX

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about November 23, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $690,000 from Victim A's bank account at US Bank through the Fedwire system in New Jersey to defendant's attorney escrow account at Harris Bank, which funds represented Victims A's and B's funds for real estate closings;

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

COUNT SEVEN

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about November 23, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $600,000 from defendant's attorney escrow account at Harris Bank through the Fedwire system in New Jersey to Mining Operation A's account at Wells Fargo Bank, which funds represented Victims A's and B's funds for real estate closings;

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

COUNT EIGHT

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about December 13, 2011, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $500,000 from defendant's bank account at Harris Bank through the Fedwire system in New Jersey to Mining Operation A's account at Wells Fargo bank, which funds represented Victims A's and B's funds for real estate closings;

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

COUNT NINE

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about February 16, 2012, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $22,500 from defendant's bank account at Harris Bank through the Fedwire system in New Jersey to Mining Operation B's account at Bank of America, which funds represented Victims A's and B's funds for real estate closings;

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

COUNT TEN

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 11 of Count One of this indictment are incorporated here.

2. On or about March 20, 2012, in the Northern District of Illinois, Eastern Division, and elsewhere,

KATHLEEN NIEW,

defendant herein, for the purpose of executing the above-described scheme, did knowingly cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer of approximately $30,000 from defendant's bank account at Harris Bank through the Fedwire system in New Jersey to Mining Operation C's account at Citizens Security Bank and Trust, which funds represented Victims A's and B's funds for real estate closings;

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

FORFEITURE ALLEGATION

The SPECIAL AUGUST 2012 GRAND JURY further charges:

1. The allegations of Counts One through Ten of this Indictment are incorporated here for the purpose of alleging that certain property is subject to forfeiture 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).

2. As a result of her violations of Title 18, United States Code, Section 1343, as alleged in the Indictment,

KATHLEEN NIEW,

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 defendant 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, at least $2,340,000.

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), such substitute property to include, but not limited to:

i. 9500 Falling Waters Driver East, Burr Ridge, IL 60527;

ii. 2009 Lexus LS 460, VIN Number JTHCL46F395004145.

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:

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FOREPERSON

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UNITED STATES ATTORNEY