UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA	)	No.
	)	
v.	)	Violations: Title 18, United States Code,
	)	Section 1343
JOHN THOMAS	)	
	)	**UNDER SEAL**

COUNT ONE

The SPECIAL MARCH 2013 GRAND JURY charges:

1. At times material to this indictment:

a. Defendant JOHN THOMAS owned and controlled Nosmo Kings, LLC, an Illinois limited liability company operating at 215 W. Ontario Street, Chicago, Illinois.

b. In or about August 2011, defendant THOMAS purchased an 11-acre property located at 13100 S. Halsted Street, Riverdale, Illinois. The property included a boat marina and a restaurant, and was commonly known as the Riverdale marina. Defendant THOMAS also maintained a Nosmo Kings office at the Riverdale marina.

c. On or about February 7, 2012, Nosmo Kings entered into a Tax Increment Financing (TIF) agreement with the Village of Riverdale. The Village of Riverdale's Tax Increment Financing program allowed for the use of taxpayer funds for the redevelopment of certain property in the Village of Riverdale.

d. Under the TIF agreement, the Village of Riverdale agreed to reimburse Nosmo Kings's expenses incurred for the renovation of the Riverdale marina of up to $1.2 million if the renovation cost was equal to or in excess of approximately $5.25 million. The TIF funds were to be disbursed to Nosmo Kings in four phases, which were to occur after Nosmo Kings's expenditure of funds, and completion of each construction phase on the Riverdale marina. Each

disbursement was not to exceed $300,000.

e. In order to obtain TIF funds from the Village of Riverdale after the completion of each construction phase, defendant THOMAS was required to submit or cause the submission of a Certificate of Substantial Completion, and a Certificate of Reimbursable Redevelopment Project Costs. The Certificate of Reimbursable Redevelopment Project Costs identified each construction expense that Nosmo Kings incurred on the Riverdale marina during the identified construction phase. Defendant THOMAS was also required to submit or cause the submission of supporting documents for each of the identified construction expenses, such as invoices from the vendor that undertook the construction expense, or copies of checks paid to the vendors.

f. Information that was contained in defendant THOMAS's Certificates of Reimbursable Redevelopment Project Costs, and supporting documents, was material to the Village of Riverdale's decision about whether to approve disbursement of TIF funds to Nosmo Kings.

2. Beginning in or about November 2011, and continuing until in or about December 2012, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN THOMAS,

defendant herein, devised, intended to devise, and participated in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, which scheme is further described below.

SUMMARY

3. It was part of the scheme that defendant THOMAS fraudulently obtained over $370,000 in TIF funds from the Village of Riverdale by submitting and causing the submission of false and fraudulent Certificates of Reimbursable Redevelopment Project Costs, and supporting documents, to the Village of Riverdale during three phases of construction and reimbursement, which funds defendant used for his own personal benefit and not for the renovation of the Riverdale marina.

PHASE ONE

4. It was further part of the scheme that, on or about January 17, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid approximately $22,994 for a Company OB insurance policy for the Riverdale marina. Defendant knew that the Village of Riverdale required Nosmo Kings to maintain an insurance policy for the Riverdale marina in order to receive TIF funds, that he had not paid $22,994 for this insurance policy, and that the policy was later cancelled for non-payment.

5. It was further part of the scheme that, on or about January 17, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid approximately $132,000 to Company GC and $8,815 to Company EJ for construction work at the Riverdale marina. Defendant knew that he had not paid these amounts to Company GC and Company EJ, and that he had submitted fake invoices purportedly in the name of Company GC to support the fraudulent request for TIF funds.

6. It was further part of the scheme that, on or about February 12, 2012, defendant

THOMAS obtained a check for $300,000 from the Village of Riverdale, which constituted reimbursement for Phase I, pursuant to the TIF agreement, and defendant caused the check to be deposited into Nosmo Kings's bank account.

PHASE TWO

7. It was further part of the scheme that, on or about February 23, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid approximately $56,000 for construction supplies for the Riverdale marina. Defendant THOMAS knew that he had not paid approximately $56,000 for construction supplies, that the invoices and receipts that supported this submission had been used to support another claimed expense of approximately $67,000 in the same TIF submission, and that he had double-billed the Village of Riverdale.

8. It was further part of the scheme that, on or about February 23, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $25,750 to Company ND for construction supplies. Defendant THOMAS knew that Company ND had not provided any construction supplies for the Riverdale marina, that Company ND was a currency exchange, and that defendant used the $25,750 to repay a personal loan extended to him by Company ND.

9. It was further part of the scheme that, on or about February 23, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid approximately $33,500 for legal services by Law Firm LB concerning the Riverdale marina. Defendant THOMAS knew that Law Firm LB had not performed $33,500 of legal work for the Riverdale marina, and that defendant was using TIF funds

to pay a debt that he owed to Law Firm LB.

10. It was further part of the scheme that defendant THOMAS, in response to a request from the Village of Riverdale for supporting documents concerning the claimed expenses of Law Firm LB, defendant THOMAS created and submitted a fake invoice, purportedly on Law Firm LB stationary, that falsely stated that Nosmo Kings had paid Law Firm LB for legal services for the Riverdale marina.

11. It was further part of the scheme that, on or about February 23, 2012, defendant Thomas falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $8,250 to Company NS for sewer and septic tank work at the Riverdale marina. Defendant THOMAS knew that Company NS did not exist, that the $8,250 was not paid for sewer and septic tank work at the Riverdale marina, and that the $8,250 was used to pay rent to defendant's landlord for defendant's rental apartment.

12. It was further part of the scheme that, on or about February 23, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $5,000 to Law Firm RA for legal expenses for the Riverdale marina. Defendant THOMAS knew that Law Firm RA had not performed any legal work for the Riverdale marina, and the $5,000 was used to pay legal expenses for a personal matter for defendant THOMAS's employee.

13. It was further part of the scheme that, on or about February 28, 2012, defendant THOMAS obtained a check for $300,000 from the Village of Riverdale, which constituted reimbursement for Phase II, pursuant to the TIF agreement, and defendant caused that check to be deposited into Nosmo Kings's bank account.

PHASE THREE

14. It was further part of the scheme that, on or about March 7, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $8,350 to Company NS for sewer and septic tank work at the Riverdale marina. Defendant THOMAS knew that Company NS did not exist, that the $8,350 was not expended for sewer and septic tank work at the Riverdale marina, that he had created a fake invoice purportedly from Company NS, and submitted it to the Village of Riverdale, and that the $8,350 was used to pay defendant's rent owed to his landlord for his rental apartment.

15. It was further part of the scheme that, on or about March 7, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $15,000 to Company GT for the reconfiguration of a sprinkler system at the Riverdale marina. Defendant THOMAS knew that Company GT did not exist, that he had created a fake invoice purportedly from Company GT, and submitted it to the Village of Riverdale, and that the $15,000 was not used for the reconfiguration of a sprinkler system at the Riverdale marina.

16. It was further part of the scheme that, on or about March 7, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $25,000 to Company WV for the installation of a septic tank at the Riverdale marina. Defendant THOMAS knew that Company WV did not install a septic tank at the Riverdale marina, and that defendant created a fake invoice purportedly from Company WV to fraudulently support the disbursement of $25,000.

17. It was further part of the scheme that, on or about March 7, 2012, defendant

THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $7,500 in legal expenses to Law Firm AM for the Riverdale marina. Defendant THOMAS knew that Law Firm AM had not incurred $7,500 in legal expenses for the Riverdale marina, and that defendant had submitted a fake letter purportedly from Law Firm AM to fraudulently support disbursement of $7,500.

18. It was further part of the scheme that, on or about March 7, 2012, defendant THOMAS falsely represented in a Certificate of Reimbursable Redevelopment Project Costs, and supporting documents, that Nosmo Kings paid $20,000 in legal expenses to Attorney TN for legal work for the Riverdale marina. Defendant THOMAS knew that Attorney TN had not performed legal work for the Riverdale marina, that he had created a false invoice purportedly from Attorney TN to support disbursement of $20,000, and that the funds were used to repay a personal debt defendant owed to Attorney TN.

19. It was further part of the scheme that, on or about March 23, 2012, defendant THOMAS obtained a check for $200,000 from the Village of Riverdale, and on or about April 5, 2012, defendant obtained a check for $100,000 from the Village of Riverdale, which together constituted reimbursement for Phase III, pursuant to the TIF agreement, and defendant caused those checks to be deposited into Nosmo Kings's bank account.

20. It was further part of the scheme that, as a result of defendant THOMAS's submission of the Certificates of Reimbursable Redevelopment Project Costs, and supporting documents, defendant THOMAS, through Nosmo Kings, received a total of $900,000 in TIF funds from the Village of Riverdale for three phases of construction.

21. It was further part of the scheme that defendant THOMAS did misrepresent,

conceal, and hide, and caused to be misrepresented, concealed, and hidden, acts done in furtherance of the scheme and the purpose of those acts.

22. On or about February 23, 2012, at Riverdale, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN THOMAS,

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 electronic mail message sent by Individual A, at the direction of defendant THOMAS, to the Village of Riverdale, which message included defendant's Phase II submission for TIF reimbursement, including a Certificate of Reimbursable Redevelopment Project Costs, containing false representations that certain expenses were incurred in the renovation of the Riverdale marina;

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

COUNT TWO

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 21 of Count One of this indictment are incorporated here.

2. On or about March 12, 2012, at Riverdale, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN THOMAS,

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 electronic mail message from defendant THOMAS to the Village of Riverdale, among others, which message attached a fake invoice from Law Firm AM to support defendant's submission for Phase III reimbursement;

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

COUNT THREE

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 21 of Count One of this indictment are incorporated here.

2. On or about March 29, 2012, at Riverdale, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOHN THOMAS,

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 electronic mail message from defendant THOMAS to the Village of Riverdale, among others, which message requested a $100,000 payment in connection with defendant's submission for Phase III reimbursement;

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

FORFEITURE ALLEGATION

The SPECIAL MARCH 2013 GRAND JURY further alleges:

1. The allegations of Counts One through Three are incorporated here for the purpose of alleging forfeiture to the United States pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

2. As a result of the violations as alleged in Counts One through Three of the foregoing indictment,

JOHN THOMAS,

defendant herein, shall forfeit to the United States any and all right, title, and interest he may have in any property, real and personal, which constitutes and is derived from proceeds traceable to the offenses charged in Counts One through Three.

3. The interests of defendant subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) as incorporated by Title 28, United States Code, Section 2461(c), include but are not limited to at least $370,000.

4. If any of the forfeitable property described above, as a result of any act or omission by 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 pursuant to 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 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C).

A TRUE BILL:

_____
FOREPERSON

_____
UNITED STATES ATTORNEY