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U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

SVETISLAV VUJOVIC,

Defendant.

INDICTMENT

CASE NO.

JUDGE

Title 18, United States Code,
Sections 215(a)(1), 1344 and 1957

1:12CR552 1
JUDGE PEARSON

General Allegations

1. At all times material to this indictment, St. Paul Croatian Federal Credit Union (hereinafter "SPCFCU") was a financial institution, as defined in Title 18, United States Code, Section 20, the deposits of which were insured by the National Credit Union Share Insurance Fund. As a federal credit union, SPCFCU was a cooperative financial institution in that its account holders owned shares of the credit union and were, therefore, the owners or "members" of the credit union. SPCFCU was not permitted to issue commercial loans, but did issue "share-secured" personal and consumer loans to its members. Share-secured meant that the particular borrower pledged funds on deposit with SPCFCU that matched or exceeded the loan amount.

SPCFCU would sometimes issue “reset loans” to its members. A reset loan was a loan issued to cover delinquent payments on old loans.

2. The National Credit Union Administration (“NCUA”) is the independent federal agency that regulates charters and supervises federal credit unions. The NCUA also operates and manages the National Credit Union Share Insurance Fund.

3. On or about April 23, 2010, SPCFCU was placed into conservatorship by the NCUA. On April 30, 2010, the NCUA liquidated SPCFCU and discontinued its operations after determining that SPCFCU was insolvent. At the time of the liquidation, SPCFCU served 5,400 members and was believed to have assets of approximately \$238.8 million.

4. At all times material herein, Anthony Raguz was employed as the Chief Operating Officer of SPCFCU.

Count 1
(Financial Institution Fraud)

The Grand Jury charges:

1. The general allegations set forth in paragraphs 1 through 4 of the indictment are re-alleged and incorporated by reference herein.

2. From on or about January 5, 2004, through on or about January 24, 2008, in the Northern District of Ohio, Eastern Division, and elsewhere, the defendant, SVETISLAV VUJOVIC, aided and abetted by Anthony Raguz (not charged in this indictment), knowingly executed and attempted to execute a scheme and artifice to defraud SPCFCU, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the control of SPCFCU, by means of false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme and artifice to defraud that, on or about January 6, 2004, VUJOVIC opened an account at SPCFCU in the name Cleveland Comfort Corp. From on or about January 5, 2004, through on or about May 4, 2004, VUJOVIC subsequently requested and obtained nine loans from SPCFCU on this account through its Chief Operating Officer, Anthony Raguz. VUJOVIC did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that VUJOVIC failed to follow established procedures and made false representations and promises to obtain these loans, Raguz approved VUJOVIC for nine loans totaling approximately \$535,200.

4. It was a further part of the scheme and artifice to defraud that, from on or about January 5, 2004, through on or about May 4, 2004, Raguz caused SPCFCU to issue nine official checks totaling approximately \$535,200, to or on behalf of VUJOVIC, drawn on the loan account in the name Cleveland Comfort Corp.

5. In furtherance of the scheme and artifice, on or about May 19, 2004, VUJOVIC opened an account at SPCFCU in the name SND, Inc. Subsequently, from on or about May 26, 2004, through on or about August 14, 2007, VUJOVIC requested and obtained 15 loans from SPCFCU on this account through Raguz. VUJOVIC did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that VUJOVIC failed to follow established procedures and made false representations and promises to obtain these loans, Raguz approved VUJOVIC for 15 loans totaling approximately \$367,094.19.

6. In furtherance of the scheme and artifice, from on or about May 26, 2004, through on or about August 14, 2007, Raguz caused SPCFCU to issue 15 official checks totaling

approximately \$367,094.19, to or on behalf of VUJOVIC, drawn on the loan account in the name SND, Inc., some of which were issued after VUJOVIC had defaulted on loans previously issued by SPCFCU.

7. It was part of the scheme and artifice to defraud that, on or about June 17, 2004, VUJOVIC opened an account at SPCFCU in the name Balkan Contracting. VUJOVIC subsequently requested and obtained three loans from SPCFCU on this account through Raguz. VUJOVIC did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that VUJOVIC failed to follow the established procedures and made false representations and promises to obtain these loans, Raguz approved VUJOVIC for three loans totaling approximately \$475,000.

8. In furtherance of the scheme and artifice, from on or about June 17, 2004, through on or about October 12, 2004, Raguz caused SPCFCU to issue three official checks totaling approximately \$475,000, to or on behalf of VUJOVIC, drawn on the loan account in the name Balkan Contracting, even after VUJOVIC had defaulted on loans previously issued by SPCFCU.

9. In furtherance of the scheme and artifice, on or about July 5, 2005, VUJOVIC opened an account at SPCFCU in the name GBRS Properties, LLC. VUJOVIC subsequently requested and obtained five loans from SPCFCU on this account through Raguz. VUJOVIC did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that VUJOVIC failed to follow the established procedures and made false representations and promises to obtain these loans, Raguz approved VUJOVIC for five loans totaling approximately \$598,000.

10. As part of the scheme and artifice, from on or about July 8, 2005, through on or about June 2, 2006, Raguz caused SPCFCU to issue five official checks totaling approximately \$598,000, to or on behalf of VUJOVIC, drawn on the loan account in the name GBRS Properties, LLC, even after VUJOVIC had defaulted on loans previously issued by SPCFCU.

11. In furtherance of the scheme and artifice, on or about October 11, 2007, VUJOVIC opened an account at SPCFCU in the name Balkan Enterprise, Inc. VUJOVIC subsequently requested and obtained four loans from SPCFCU on this account through Raguz. VUJOVIC did not follow established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that VUJOVIC failed to follow established procedures and made false representations and promises to obtain these loans, Raguz approved VUJOVIC for four loans totaling approximately \$300,000.

12. As part of the scheme and artifice, from on or about October 11, 2007, through on or about January 24, 2008, Raguz caused SPCFCU to issue four official checks totaling approximately \$300,000, to or on behalf of VUJOVIC, drawn on the loan account in the name Balkan Enterprise, Inc., even though VUJOVIC had defaulted on loans previously issued by SPCFCU.

13. As a result of the scheme and artifice executed by the defendant, and aided and abetted by Anthony Raguz, SPCFCU and the NCUA suffered losses totaling approximately \$2,275,294.19.

All in violation of Title 18, United States Code, Section 1344.

Count 2

(Giving Commissions or Gifts for Procuring Loans)

The Grand Jury further charges:

1. From in or about January 2004, through in or about November 2006, in the Northern District of Ohio, Eastern Division, the defendant, SVETISLAV VUJOVIC, corruptly gave, offered, and promised a thing a value exceeding \$1000 to an officer, director, employee and agent of a financial institution in connection with a business transaction of a financial institution, to wit: giving and causing to be given incremental cash payments totaling approximately \$20,000 to Anthony Raguz, the Chief Operating Officer of St. Paul Croatian Federal Credit Union, a financial institution, as defined in Title 18, United States Code, Section 20, the deposits of which were insured by the National Credit Union Share Insurance Fund, with the intent to influence and reward Raguz for approving and facilitating the approval of fraudulent loans.

All in violation of Title 18, United States Code, Section 215(a)(1).

Count 3

(Money Laundering)

The Grand Jury further charges:

1. On or about January 24, 2008, in the Northern District of Ohio, Eastern Division, the defendant, SVETISLAV VUJOVIC, did knowingly engage in and attempt to engage in, a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, that is, financial institution fraud, in violation of Title 18, United States Code, Section 1344, to wit: VUJOVIC obtained a SPCFCU official check in the amount of \$100,000, drawn on a share

account in the name Balkan Enterprise, and caused it to be deposited into an account at First Merit Bank.

All in violation of Title 18, United States Code, Section 1957.

Count 4
(Money Laundering)

The Grand Jury further charges:

1. On or about January 24, 2008, in the Northern District of Ohio, Eastern Division, the defendant, SVETISLAV VUJOVIC, did knowingly engage in and attempt to engage in, a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, that is, financial institution fraud, in violation of Title 18, United States Code, Section 1344, to wit: VUJOVIC obtained a SPCFCU official check in the amount of \$48,000, drawn on a share account in the name Balkan Enterprise, and caused it to be deposited into an account at First Merit Bank.

All in violation of Title 18, United States Code, Section 1957.

A TRUE BILL.

Original document – Signatures on file with the Clerk of Courts, pursuant to E-Government Act of 2002.