

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
 v.) No.
)
 LASHAWN K. FORD) Violations: Title 18, United States
) Code, Sections 1014 and 1344
)

COUNT ONE
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY charges:

1. At times material to this indictment:
 - a. ShoreBank was a financial institution, with its principal office in Chicago, Illinois, the deposits of which were insured by the Federal Deposit Insurance Corporation.
 - b. Defendant LASHAWN FORD was the owner of Ford Desired Real Estate, Inc. (“FDRE”), a real estate firm in Chicago, Illinois. FORD also invested personally in real estate.
 - c. FORD had multiple loans with ShoreBank, including, but not limited to, a line of credit (hereinafter, “Line of Credit”).
 - d. Pursuant to the terms of the Line of Credit, FORD was permitted to use funds advanced from the Line of Credit solely for purposes of purchasing and rehabilitating investment properties.

e. ShoreBank required applicants for loans, including lines of credit, to provide truthful information, including information regarding income as reflected on federal tax returns.

f. ShoreBank required borrowers to provide truthful representations, both oral and written, regarding their intended use of funds advanced from lines of credit.

2. Beginning at least as early as 2005 and continuing through at least October 2008, in Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute a scheme to defraud and to obtain money and funds owned by and under the custody and control of ShoreBank, a financial institution, by means of materially false and fraudulent pretenses, representations, and promises.

3. It was part of the scheme that FORD fraudulently obtained a \$500,000 increase and 24-month extension for the Line of Credit by submitting and causing to be submitted documents to ShoreBank that FORD knew falsely inflated his personal income and FDRE's corporate income and, further, FORD obtained multiple advances from the Line of Credit by making and causing to be made materially false representations about FORD's intended use for the advanced funds.

4. It was part of the scheme that on or about May 22, 2006, FORD requested that ShoreBank increase the Line of Credit from \$1,000,000 to \$1,500,000 and extend it for a 24-month term ("May 22, 2006 application") and, in support of the May 22, 2006 application,

FORD knowingly submitted and caused to be submitted to ShoreBank documents that materially misrepresented FORD's personal income and FDRE's corporate income, including: (a) a purported 2004 Form 1040 for FORD, which FORD knew falsely inflated his adjusted gross income; and (b) a purported Form 2004 1120S, which FORD knew falsely inflated FDRE's gross receipts and ordinary income.

5. It was further part of the scheme that, on multiple occasions, FORD falsely represented to a ShoreBank employee that advances from the Line of Credit would be used to rehabilitate specific real estate investment properties – in particular, 1016 North Central, Chicago, Illinois; 616 North Leamington, Chicago, Illinois; 5700 West Erie, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; 1224 South Keeler, Chicago, Illinois; and 5451 West Thomas, Chicago, Illinois – when, as FORD knew, FORD intended to use and did use the advanced funds for other purposes, including:

a. On or about April 27, 2006, defendant knowingly made and caused to be made to a ShoreBank employee a representation that FORD intended to use a requested \$85,000 advance from the Line of Credit to rehabilitate FORD's property located at 1016 North Central, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 1016 North Central, Chicago, Illinois;

b. On or about May 30, 2006, defendant knowingly made and caused to be made to a ShoreBank employee a representation that FORD intended to use a requested \$60,000 advance from the Line of Credit to rehabilitate FORD's property located at 5700

West Erie, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 5700 West Erie, Chicago, Illinois;

c. On or about October 5, 2006, defendant knowingly made and caused to be made to a ShoreBank employee a representation that FORD intended to use a requested \$85,000 advance from the Line of Credit to rehabilitate FORD's properties located at 5700 West Erie, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 5700 West Erie, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois;

d. On or about November 3, 2006, defendant knowingly made and caused to be made to a ShoreBank employee a representation that FORD intended to use a requested \$52,500 advance from the Line of Credit to rehabilitate FORD's properties located at 5451 West Thomas, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 5451 West Thomas, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois;

e. On or about February 6, 2007, defendant knowingly made and caused to be made to a ShoreBank employee a representation that FORD intended to use a requested \$16,000 advance from the Line of Credit to rehabilitate FORD's property located at 1224 South Keeler, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use

the funds, in part, for expenses unrelated to the rehabilitation of 1224 South Keeler, Chicago, Illinois;

f. On or about February 27, 2007, defendant knowingly made and caused to be made to a ShoreBank employee a representation that FORD intended to use a requested \$27,000 advance from the Line of Credit to rehabilitate FORD's properties located at 616 North Leamington, Chicago, Illinois; 5700 West Erie, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; 1224 South Keeler, Chicago, Illinois; and 5451 West Thomas, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 616 North Leamington, Chicago, Illinois; 5700 West Erie, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; 1224 South Keeler, Chicago, Illinois; and 5451 West Thomas, Chicago, Illinois; and

g. On or about March 13, 2007, defendant knowingly made and caused to be made to a ShoreBank employee a representation that FORD intended to use a requested \$48,000 advance from the Line of Credit to rehabilitate FORD's properties located at 616 North Leamington, Chicago, Illinois; 5451 West Thomas, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; and 5700 West Erie, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 616 North Leamington, Chicago, Illinois; 5451 West Thomas, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; and 5700 West Erie, Chicago, Illinois.

6. It was further part of the scheme that FORD knowingly used funds advanced from the Line of Credit not to rehabilitate specific real estate investment properties – in

particular, 1016 North Central, Chicago, Illinois; 616 North Leamington, Chicago, Illinois; 5700 West Erie, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; 1224 South Keeler, Chicago, Illinois; and 5451 West Thomas, Chicago, Illinois – as he had represented to ShoreBank, but instead to pay unrelated expenses, including: payments on car loans; payments on American Express credit accounts; expenses for FORD's 2006 campaign for Illinois State Representative; payments on other mortgages held at ShoreBank; and checks to Horseshoe Casino.

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

8. On or about May 22, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve the May 22, 2006 application for the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT TWO
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. In or about May 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve the May 22, 2006 application for the Line of Credit, specifically, FORD submitted and caused to be submitted to ShoreBank a purported 2004 Form 1040 for FORD, which FORD knew falsely represented and inflated FORD's adjusted gross income;

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

COUNT THREE
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. In or about May 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve the May 22, 2006 application for the Line of Credit, specifically, FORD submitted and caused to be submitted to ShoreBank a purported 2004 Form 1120S for FDRE, which falsely represented and inflated FDRE's gross receipts and net income;

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

COUNT FOUR
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about April 27, 2006, at Chicago, Illinois, in the Northern District of Illinois, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve an \$85,000 advance on the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT FIVE
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about April 27, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve an \$85,000 advance on the Line of Credit, specifically, FORD represented to a ShoreBank employee that FORD would use the \$85,000 advance from the Line of Credit to rehabilitate FORD's property located at 1016 North Central, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 1016 North Central, Chicago, Illinois;

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

COUNT SIX
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about May 30, 2006, at Chicago, Illinois, in the Northern District of Illinois, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve a \$60,000 advance on the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT SEVEN
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about May 30, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve a \$60,000 advance on the Line of Credit, specifically, FORD represented to a ShoreBank employee that FORD would use the \$85,000 advance from the Line of Credit to rehabilitate FORD's property located at 5700 West Erie, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 5700 West Erie, Chicago, Illinois;

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

COUNT EIGHT
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about October 5, 2006, at Chicago, Illinois, in the Northern District of Illinois, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve an \$85,000 advance on the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT NINE
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about October 5, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve an \$85,000 advance on the Line of Credit, specifically, FORD represented to a ShoreBank employee that FORD would use the \$85,000 advance from the Line of Credit to rehabilitate FORD's properties located at 5700 West Erie, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 5700 West Erie, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois;

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

COUNT TEN
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about November 3, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve a \$52,500 advance on the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT ELEVEN
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about November 3, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve a \$52,500 advance on the Line of Credit, specifically, FORD represented to a ShoreBank employee that FORD would use the \$52,500 advance from the Line of Credit to rehabilitate FORD's properties located at 5451 West Thomas, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 5451 West Thomas, Chicago, Illinois, and 616 North Leamington, Chicago, Illinois;

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

COUNT TWELVE
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about February 6, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve a \$16,000 advance on the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT THIRTEEN
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about February 6, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve a \$16,000 advance on the Line of Credit, specifically, FORD represented to a ShoreBank employee that FORD would use the \$16,000 advance from the Line of Credit to rehabilitate FORD's property located at 1224 South Keeler, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 1224 South Keeler, Chicago, Illinois;

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

COUNT FOURTEEN
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about February 27, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve a \$27,000 advance on the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT FIFTEEN
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about February 27, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve a \$27,000 advance on the Line of Credit, specifically, FORD represented to a ShoreBank employee that FORD would use the \$27,000 advance from the Line of Credit to rehabilitate FORD's properties located at 616 North Leamington, Chicago, Illinois; 5700 West Erie, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; 1224 South Keeler, Chicago, Illinois; and 5451 West Thomas, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 616 North Leamington, Chicago, Illinois; 5700 West Erie, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; 1224 South Keeler, Chicago, Illinois; and 5451 West Thomas, Chicago, Illinois;

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

COUNT SIXTEEN
(Bank Fraud)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 7 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about March 13, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly executed and attempted to execute the scheme to defraud by causing ShoreBank, a financial institution insured by the Federal Deposit Insurance Corporation, to approve a \$48,000 advance on the Line of Credit;

In violation of Title 18, United States Code, Section 1344.

COUNT SEVENTEEN
(False Statement to a Financial Institution)

The SPECIAL SEPTEMBER 2012 GRAND JURY further charges:

1. The allegations in paragraph 1 of Count One of this indictment are realleged and incorporated as if fully set forth herein.

2. On or about March 13, 2007, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

LASHAWN K. FORD,

defendant herein, knowingly made and caused to be made a false statement to ShoreBank for the purpose of influencing ShoreBank to approve a \$48,000 advance on the Line of Credit, specifically, FORD represented to a ShoreBank employee that FORD would use the \$48,000 advance from the Line of Credit to rehabilitate FORD's properties located at 616 North Leamington, Chicago, Illinois; 5451 West Thomas, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; and 5700 West Erie, Chicago, Illinois, when, as FORD knew, FORD intended to use and did use the funds, in part, for expenses unrelated to the rehabilitation of 616 North Leamington, Chicago, Illinois; 5451 West Thomas, Chicago, Illinois; 4838 West Erie, Chicago, Illinois; and 5700 West Erie, Chicago, Illinois;

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

FORFEITURE ALLEGATION

The SPECIAL SEPTEMBER 2012 GRAND JURY further alleges:

1. The allegations of Counts One through Fourteen of this indictment are incorporated here for the purpose of alleging that certain property is subject to forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461.

2. As a result of his violations of Title 18, United States Code, Sections 1014 and 1344, as alleged in the forgoing indictment,

LASHAWN K. FORD,

defendant herein, has subjected to forfeiture to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461, any and all right, title, and interest he may have in any property, real and personal, constituting and derived from proceeds traceable to the charged offenses.

3. The interests of the defendant subject to forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461(c), include, but are not limited to, approximately \$832,071.

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

All pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A) and Title 28, United States Code, Section 2461.

A TRUE BILL:

ACTING UNITED STATES ATTORNEY