

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	No.
)	
PATRICK MCMANAMON,)	Violations: Title 18, United States
GLENN STANCIL and)	Code, Sections 1341 and 1343
PAMELA MENDYK)	

COUNT ONE

The SPECIAL SEPTEMBER 2008 GRAND JURY charges:

1. At times material to this indictment:

The Defendants

A. Defendant PATRICK MCMANAMON was the owner of Clover Financial Sales & Leasing, Inc. (“Clover”), a licensed car dealership in Roselle, Illinois, which sold and leased vehicles and held an account at Harris Bank (the “Clover bank account”). MCMANAMON was the manager of Clover’s leasing department.

B. Defendant GLENN STANCIL was the president of Clover and ran Clover’s used car department and paid off leases and loans on vehicles traded in to Clover.

C. Defendant PAMELA MENDYK was an employee in Clover’s finance department and was responsible for paying off leases and loans on vehicles traded in to Clover and for providing proof to lending institutions that liens and loans had been paid off.

The Lenders

D. BMW Financial Services, Capital One, Fifth Third Bank, USAA Federal Savings Bank and U.S. Bank were lending institutions that financed the lease and purchase of vehicles.

E. Capital One, Fifth Third Bank, USAA Federal Savings Bank and U.S. Bank were financial institutions the deposits of which were insured by the Federal Deposit Insurance Corporation.

F. Automobile Consumer Services (“ACS”) in Cincinnati, Ohio, brokered financing for the purchase or lease of vehicles and was an approved U.S. Bank Indirect Lending customer.

The Scheme

2. Beginning no later than in or about March 2005 and continuing until at least March 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, along with other persons known and unknown to the grand jury, devised and intended to devise, and participated in, a scheme to defraud the customers of Clover, lending institutions and others of money and property by means of materially false and fraudulent pretenses, representations, promises, and of material omissions, which scheme affected a financial institution and is further described in the following paragraphs.

3. It was part of the scheme that defendants MCMANAMON and STANCIL

fraudulently induced customers to transfer possession and interest in their leased or owned vehicles to Clover by falsely representing that Clover would pay off the leases or loans on the vehicles, when defendants knew that Clover would not pay off the leases and loans.

4. It was further part of the scheme that defendants MCMANAMON and STANCIL fraudulently induced customers to buy or lease vehicles from Clover by falsely representing that the vehicles had clean title, when defendants knew that Clover had not paid off prior leases and loans on those vehicles, and therefore the vehicles did not have clean title.

5. It was further part of the scheme that defendants MCMANAMON, STANCIL, and MENDYK fraudulently induced ACS and lending institutions, including BMW Financial Services, Capital One, Fifth Third Bank, USAA Federal Savings, and U.S. Bank, to finance the purchase or lease of vehicles by Clover customers by falsely representing that Clover had paid off the leases and loans on the vehicles, when defendants knew that Clover had not paid off the leases and loans.

6. It was further part of the scheme that defendants MCMANAMON, STANCIL and MENDYK fraudulently induced lending institutions to provide financing for customers' purchase or lease of vehicles from Clover by sending ACS and lending institutions false documents, including altered titles and checks which purportedly represented pay offs of leases and loans of vehicles, when defendants knew that the titles had been altered and that they had not and would not tender these checks to the prior lienholder or lessor.

7. It was further part of the scheme that defendants MCMANAMON, STANCIL

and MENDYK fraudulently concealed that Clover had not paid off leases and loans on vehicles that had been traded in by Clover customers by making monthly payments on these leases and loans until such time that Clover was able to sell the traded-in cars to new customers or pay off the liens and leases.

8. It was further part of the scheme that defendant MENDYK created and maintained a spreadsheet tracking the vehicles traded in to Clover, including whether a particular vehicle's lease or lien had been paid off, whether a monthly payment was due on a particular vehicle, and if so, to whom the payment should be made and in what amount.

9. It was further part of the scheme that defendant MENDYK notified defendants MCMANAMON and STANCIL when monthly payments were due on vehicles that had been traded in to Clover and upon MCMANAMON and STANCIL's direction, MENDYK made monthly payments on these vehicles, including vehicles that MENDYK knew had been resold or leased by Clover without a valid title.

10. It was further part of the scheme that when Clover customers were not able to obtain valid license plates and car registrations, defendants MCMANAMON, STANCIL and MENDYK concealed the scheme by falsely representing that the Illinois Secretary of State's Office was behind in processing and issuing titles, that because Clover was a small car dealership, its transactions were processed more slowly by the Secretary of State's Office than transactions at larger car dealerships, and that banks were slow in processing the payoffs of vehicles that had been traded in by other Clover customers.

Victims A, B, C and D

11. It was further part of the scheme that on or about May 31, 2006, defendants MCMANAMON and STANCIL fraudulently induced Victim A to purchase a 2004 BMW which had been traded in to Clover by Victim B, well knowing that Clover had not paid off the lease on the 2004 BMW, which was held by BMW Financial Services, and thus Clover could not convey clean title to Victim A.

12. It was further part of the scheme that on or about May 31, 2006, defendants MCMANAMON and STANCIL fraudulently induced Victim A to trade in her 2006 Lexus by falsely representing that Clover would pay off the outstanding loan on the 2006 Lexus, which was owed to USAA Federal Savings Bank.

13. It was further part of the scheme that on or about June 13, 2006, defendant MCMANAMON fraudulently induced Victim C to lease the 2006 Lexus by concealing from Victim C that USAA Federal Savings Bank's loan to Victim A had not been paid off, and thus Clover could not convey clean title to Victim C.

14. It was further part of the scheme that in or about June 13, 2006, defendant MCMANAMON fraudulently induced Victim C to trade in her 2003 Jeep Liberty by falsely representing that Clover would pay off the outstanding lease on the 2003 Jeep Liberty, which was owed to Fifth Third Bank.

15. It was further part of the scheme that on or about June 13, 2006, defendant STANCIL falsely represented to ACS that Clover had paid off the outstanding loan on the 2006 Lexus by faxing to ACS a Clover bank account check, dated June 7, 2006, in the amount of approximately \$40,302, which purported to pay off the loan, when STANCIL

knew that the check had not and would not be sent to USAA Federal Savings Bank.

16. It was further part of the scheme that defendants MCMANAMON, STANCIL and MENDYK fraudulently caused U.S. Bank, through ACS, to fund Victim C's lease of the 2006 Lexus, and ACS to send a check dated June 13, 2006, to Clover, in the amount of approximately \$37,669.

17. It was further part of the scheme that in approximately October 2006, when Victim C called Clover to inquire as to why she was unable to get license plates for the 2006 Lexus, defendants MCMANAMON and MENDYK made false representations and material omissions to Victim C, including that Victim C was unable to get her license plates because there was a problem with the previous owner, when defendants knew that the prior lien on the 2006 Lexus had not been paid off.

18. On or about October 6, 2006, defendant STANCIL falsely represented to Victim C that the current lease payments had been made on the 2003 Jeep Liberty that Victim C had traded in to Clover, when STANCIL knew that Clover was not current with the 2003 Jeep Liberty lease payments.

19. It was further part of the scheme that on or about December 6, 2006, defendants MCMANAMON and STANCIL fraudulently induced Victim D to purchase the 2003 Jeep Liberty that had been traded in by Victim C, when MCMANAMON and STANCIL knew that Clover did not have clean title to the Jeep Liberty.

20. It was further part of the scheme that in or around January 2007, when questioned by Victim D about why she couldn't acquire license plates for the 2003 Jeep

Liberty, defendant MENDYK falsely represented that the process of getting new plates and title could take a while, when MENDYK knew that the reason Victim D could not acquire license plates and title was because Clover had not paid off the 2003 Jeep Liberty's prior lease.

21. It was further part of the scheme that between approximately March 2005 and approximately December 2006, defendants (a) caused at least 127 vehicles to be sold or leased by Clover based on material false and fraudulent pretenses, representations, promises, and material omissions; (b) did not pay off loans or leases on at least 127 vehicles; and (c) caused losses to lending institutions, ACS, car dealerships and Clover customers exceeding approximately \$2,795,601.

22. It was further part of the scheme that defendants MCMANAMON and STANCIL used proceeds of the scheme for their personal benefit.

23. It was further part of the scheme that defendants MCMANAMON, STANCIL and MENDYK did misrepresent, conceal and hide, and cause to be misrepresented, concealed and hidden, acts done in furtherance of the scheme and the purpose of those acts.

24. On or about December 6, 2005, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON and
GLENN STANCIL,

defendants herein, for the purpose of executing the aforesaid scheme and attempting to do so, did knowingly cause a thing to be deposited to be sent for delivery and caused to be delivered by private interstate carrier from USAA Federal Savings Bank in San Antonio, Texas to Victim A in Naperville, Illinois, namely a sight draft from USAA Federal Savings Bank in the amount of approximately \$44,823 to be issued on behalf of Victim A to Clover Financial Sales & Leasing for the purchase of a 2006 Lexus vehicle;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWO

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about September 11, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, for the purpose of executing the aforesaid scheme, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and sounds, namely a transfer of funds from Harris Bank in Chicago, Illinois, to USAA Federal Savings Bank in San Antonio, Texas, in the amount of approximately \$826, which payment was for a 2006 Lexus vehicle traded-in to Clover by Victim A;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT THREE

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about November 1, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, for the purpose of executing the aforesaid scheme and attempting to do so, did knowingly cause to be delivered by mail a thing, namely Clover bank account check number 3931 in the amount of approximately \$826, sent from Harris Bank in Chicago, Illinois to USAA Financial Services in San Antonio, Texas, which check was addressed to USAA and was a payment for a 2006 Lexus vehicle traded-in to Clover by Victim A;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT FOUR

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about December 19, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, for the purpose of executing the aforesaid scheme, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and sounds, namely the transfer of funds from Harris Bank in Chicago, Illinois, to USAA Federal Savings Bank in San Antonio, Texas, in the amount of approximately \$826, which payment was for a 2006 Lexus vehicle traded-in to Clover by Victim A;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FIVE

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about May 4, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, for the purpose of executing the aforesaid scheme, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and sounds, namely a transfer of funds from Harris Bank in Chicago, Illinois, to BMW Financial Services in Hilliard, Ohio, in the amount of approximately \$1060, which payment was for a 2004 BMW vehicle traded-in to Clover by Victim B;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SIX

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about June 8, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, for the purpose of executing the aforesaid scheme, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and sounds, namely a transfer of funds from Harris Bank in Chicago, Illinois, to BMW Financial Services in Hilliard, Ohio, in the amount of approximately \$1114, which payment was for a 2004 BMW vehicle traded-in to Clover by Victim B;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SEVEN

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about May 31, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON and
GLENN STANCIL,

defendants herein, for the purpose of executing the aforesaid scheme and attempting to do so, did knowingly cause to be delivered by mail a thing, from Capital One in Plano, Texas to Victim A in Romeoville, Illinois, namely a sight draft and check from Capital One in the amount of approximately \$47,500 to be issued on behalf of Victim A to Clover Financial Sales & Leasing for the purchase of a 2004 BMW vehicle;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT EIGHT

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about June 13, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON and
GLENN STANCIL,

defendants herein, for the purpose of executing the aforesaid scheme, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and sounds, namely a two-page facsimile sent from Clover in Roselle, Illinois to ACS in Cincinnati, Ohio, that contained a cover sheet and a copy of Clover bank account check number 2984 made out to “USS AA” in the amount of approximately \$40,302, purporting to show that Clover held clean title to a 2006 Lexus traded in to Clover by Victim A;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT NINE

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about June 13, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON and
GLENN STANCIL,

defendants herein, for the purpose of executing the aforesaid scheme and attempting to do so, did knowingly cause a thing to be deposited to be sent and delivered by private interstate carrier from ACS in Cincinnati, Ohio to Clover in Roselle, Illinois, namely ACS check number 14410 drawn on an account at U.S. Bank in the amount of approximately \$37,670 to fund Victim C's lease of a 2006 Lexus vehicle that had been traded-in by Victim A;

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TEN

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about July 12, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, for the purpose of executing the aforesaid scheme, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and sounds, namely a transfer of funds from Harris Bank in Chicago, Illinois, to Fifth Third Bank in Cincinnati, Ohio, in the amount of approximately \$455, which payment was for a 2003 Jeep Liberty vehicle traded-in to Clover by Victim C;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT ELEVEN

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations in paragraphs 1–23 of Count One of this indictment are hereby realleged and incorporated as if fully set forth herein.

2. On or about October 24, 2006, at Roselle, in the Northern District of Illinois, Eastern Division,

PATRICK MCMANAMON,
GLENN STANCIL and
PAMELA MENDYK,

defendants herein, for the purpose of executing the aforesaid scheme, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, and sounds, namely a transfer of funds from Harris Bank in Chicago, Illinois, to Fifth Third Bank in Cincinnati, Ohio, in the amount of approximately \$455, which payment was for a 2003 Jeep Liberty vehicle traded-in to Clover by Victim C;

In violation of Title 18, United States Code, Sections 1343 and 2.

FORFEITURE ALLEGATION

The SPECIAL SEPTEMBER 2008 GRAND JURY further charges:

1. The allegations contained in Count One through Count Eleven of this indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture 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 the violations of Title 18, United States Code, Sections 1341 and 1343 of the foregoing indictment,

PATRICK MCMANAMON, and
GLENN STANCIL

defendants 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 interest of the defendants 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 is not limited to approximately \$2,795,601.

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

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY