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BROTHERS SENTENCED TO 14 YEARS IN PRISON FOR HOME REPAIR FRAUD SCHEME INVOLVING ELDERLY VICTIMS ON CITY'S SOUTH AND WEST SIDES

CHICAGO — Two brothers were each sentenced today to 14 years in federal prison after being convicted last year of engaging in a home-repair fraud scheme that targeted elderly victims on the city's south and west sides. The defendants, **John J. Sullivan**, and his brother, **Daniel J. Sullivan**, swindled more than 50 victims out of a total of nearly \$750,000 in equity in their homes by fraudulently promising to perform expensive home repairs, convincing them to refinance their homes to pay the costs, and then later intentionally failing to perform or complete the projects. In addition to an earlier home repair fraud scheme, at various times the defendants also engaged in investment fraud, mortgage fraud, and thefts by deception involving millions of dollars.

John Sullivan, 50, whose last known residence was in Surprise, Ariz., and formerly of Northbrook, and Daniel Sullivan, 46, of Niles, were each ordered to pay restitution totaling \$710,783 and to forfeit \$748,601 by U.S. District Judge Ruben Castillo. They were convicted of wire fraud following a two-week trial in the fall of 2011.

“The defendants deliberately targeted elderly and/or minority homeowners . . . [and] caused untold financial ruin and inflicted significant emotional distress on their victims,” the government argued at sentencing. In one tragic example, an approximately 48-year-old Northbrook woman

killed herself earlier this year after John Sullivan purported to have a romantic interest in her and then defrauded her mother of her entire savings — nearly \$600,000.

The sentences were announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois; Thomas P. Brady, Inspector-in-Charge of the U.S. Postal Inspection Service; and Barry McLaughlin, Special Agent-in-Charge of the U.S. Housing and Urban Development Office of Inspector General in Chicago.

According to the evidence at trial, the Sullivans owned and operated a series of home repair and home remodeling businesses: New Look Home Services, Inc.; J & D Home Services, Inc.; A-Z Home Services; and Contract Services (collectively J&D), which were located in Chicago and Niles. In 2004, the City of Chicago obtained a permanent injunction against New Look Home Services and John Sullivan, prohibiting them from participating in any way in the home repair industry in the city.

Between 2002 and 2006, the defendants fraudulently convinced elderly homeowners to hire J&D to perform costly home repairs and to pay for them by refinancing their homes. They falsely claimed that J & D was licensed, bonded and insured, and advertised senior citizen discounts and free estimates. The Sullivans then persuaded their victims to turn over a substantial portion of the refinancing proceeds directly to J&D at the closing or shortly thereafter. The defendants then intentionally failed to complete the promised repairs, instead engaging in a series of stalling tactics to avoid doing any additional work on the homeowners' properties.

In some instances, the defendants persuaded customers to sign blank contracts with J&D that did not specify the services to be performed, falsely telling customers that the blank contracts were needed in the event that the defendants needed to hire subcontractors and/or purchase additional supplies. At times, the defendants and others later modified the blank contracts, changing the terms

of the contracts against the victims customers, and drafting “completion certificates,” falsely representing that the homeowners were 100 percent satisfied with the work. The defendants typically did not leave a copy of the original contract with the customers, and, if a customer requested a copy of the contract, the defendants or others acting at their direction, later returned to the house and attempted to steal the customer’s copy of the contract.

The government was represented by Assistant U.S. Attorneys Patrick Pope and Patrick Otlewski.

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