



U.S. Department of Justice

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TWO MEN PLEAD GUILTY TO CONDUCTING “BUSINESS TAKE OVER” FRAUD IN McHENRY, ILLINOIS

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and ROBERT D. GRANT, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation, today announced:

JEFFREY K. WILLIAMS, 33 (DOB: 08/15/1971), of 576 Darlington Lane, Lot 8, Crystal Lake, Illinois, and **EARL KING**, 33 (DOB: 11/13/1971), of 7301 South Troy, Chicago, Illinois, each pled guilty in federal court in Rockford to fraud charges arising from a scheme to illegally take over businesses and then drain cash from those businesses. Williams pled guilty to a wire fraud charge in federal court in Rockford last Wednesday, May 4th. King pled guilty to wire fraud this morning.

In pleading guilty, both Williams and King admitted that from December 2001 through at least April 1, 2002, they operated a business known as “A.M. Holding Corporation” (hereinafter “A.M. Holding”). Williams and King operated this business from Williams’ former residence, which was located at 3619 West James Street in McHenry, Illinois. As both Williams and King admitted in their plea agreements, A.M. Holding had no assets, and did not even have a bank account.

Williams and King also admitted they entered into contracts to purchase at least three businesses, which were located in Tennessee and Georgia. Williams and King acknowledged that, when they entered into these contracts, they falsely represented to the owners of the businesses that A.M. Holding would pay millions of dollars for the businesses. According to their plea agreements, they further falsely promised that A.M. Holding would make down-payments of hundreds of thousands of dollars to the owners and would also invest hundreds of thousands of dollars in capital into the businesses.

Williams and King further admitted that after they entered into the contracts to purchase the businesses, they fraudulently drained cash out of the businesses. With regard to one of the businesses, Williams and King admitted that they convinced the owner to send them a \$12,500 check to cover “A.M. Holding’s expenses.” Williams and King also acknowledged that they convinced the owners of the other two businesses to enter into “Management Agreements.” These “Management Agreements” permitted A.M. Holding to operate the businesses before their down-payments to the business owners were due. Williams and King admitted that after they gained control of the businesses, they drained large amounts of cash out of the businesses. Specifically, they wrote \$44,550 in checks payable to themselves and Williams’ girlfriend from one of the businesses. They wrote an additional \$5,865.40 in checks to themselves from the second business

and wire transferred an additional \$175,000 from that business' account to a bank account in McHenry that Williams controlled.

Williams and King further admitted in their plea agreements that never paid any of the promised purchase prices or down-payments to the business owners.

The sentencing hearing for Williams will be conducted on July 6, 2005, at 10:00 a.m. King's sentencing hearing will be held on July 13, 2005, at 10:00 a.m. Williams and King each face a maximum sentence of up to five years of imprisonment, and a fine of up to \$250,000, in addition to a period of supervised release of at least two and up to three years following imprisonment. Each defendant's actual sentence will be determined by the United States District Court, guided by the United States Sentencing Guidelines.

The case was investigated by Special Agents of the Rockford office of the Federal Bureau of Investigation. The case is being prosecuted in federal court by Assistant United States Attorney Scott A. Verseman.

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