

FILED

11/28/2022 DB

**THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT**

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	No. 22cr618
v.)	
)	Violation: Title 18, United States
MUSTAFAA SALEH)	Code, Section 1343
		Judge Wood
		Magistrate Judge Harjani

The UNITED STATES ATTORNEY charges:

1. At times material to this information:

(a) The Cook County Land Bank Authority (the "CCLBA") was a Cook County government entity that promoted the redevelopment and reuse of vacant, foreclosed, abandoned, and tax delinquent real property by acquiring and transferring the property to private ownership.

(b) The CCLBA sold properties at substantially below-market rates to promote their redevelopment and reuse by applying various sales credits and other favorable terms.

(c) Buyers of properties sold by the CCLBA entered into a sales contract which required the buyer to improve the properties as specified in the contract and then (i) sell the property to a homeowner or (ii) occupy the property as a primary residence.

(d) To ensure that a buyer fulfilled the terms of a sales contract, the CCLBA placed a deed restriction on the property which prohibited the encumbering, transferring, or renting of the property until the CCLBA was satisfied that the buyer

had adequately improved the property, at which time the CCLBA lifted the deed restriction.

(e) The CCLBA maintained a list of “preferred developers” who were able to purchase certain properties from the CCLBA before the CCLBA marketed the properties to the general public.

(f) The CCLBA contracted with private property preservation companies to perform property maintenance and upkeep work at properties that it acquired.

(g) Defendant MUSTAFA SALEH was employed by the CCLBA as an Asset Manager and was responsible for managing CCLBA properties, which included assessing property improvements for purposes of lifting CCLBA deed restrictions and contracting with private property maintenance companies to perform maintenance work on CCLBA properties.

(h) Cook County had an Ethics Ordinance that established a code of conduct for every Cook County official, appointee, and employee, including employees of the CCLBA. Section 2-581(a) of the Cook County Ethics Ordinance provided in pertinent part: “No . . . employee shall have a financial interest in . . . [t]heir own name or in the name of any other person in any contract, work, or business of the County.”

(i) Pursuant to Section 2-581 of the Cook County Ethics Ordinance, the CCLBA prohibited its employees from purchasing or otherwise obtaining an interest in CCLBA properties for investment purposes (i.e., other than to occupy as

the employee's primary residence) during their CCLBA employment and from having a financial interest in property maintenance companies contracting with the CCLBA.

(j) At the beginning of his CCLBA employment, SALEH received training on the Cook County Ethics Ordinance, including Section 2-581, and thereafter annually certified that he was complying with all applicable ethics rules.

2. Beginning in or around February 2016 and continuing until on or about May 18, 2021,

MUSTAFAA SALEH,

defendant herein, knowingly devised, intended to devise, and participated in a scheme to defraud the CCLBA, and to obtain money and property from the CCLBA, by means of materially false and fraudulent pretenses, representations, and promises and by concealment of material facts, which scheme is further described below.

3. It was part of the scheme that SALEH: (a) used nominee or "straw" buyers to fraudulently purchase properties from the CCLBA on SALEH's behalf and thereafter redeveloped, resold, and otherwise used the properties for his own financial benefit, in violation Section 2-581 of the Cook County Code of Ethical Conduct and related CCLBA rules and polices; and (b) caused a property maintenance company that SALEH secretly controlled to contract with and bill the CCLBA.

Using Straw Buyers to Fraudulently Purchase Properties from the CCLBA

4. It was further part of the scheme that SALEH recruited individuals to falsely pose as independent buyers of properties owned by the CCLBA, including Straw Buyer A, Straw Buyer B, Straw Buyer C, and Straw Buyer D, and had them purchase CCLBA properties on SALEH's behalf.

5. It was further part of the scheme that SALEH caused Straw Buyer A, Straw Buyer B, Straw Buyer C, and Straw Buyer D to falsely represent to the CCLBA that they were the actual buyers of the CCLBA properties, when SALEH knew that the straw buyers had purchased the properties on SALEH's behalf.

6. It was further part of the scheme that SALEH sent to, and received emails from the CCBLA, using third party email accounts so that he could pose as a straw buyer for purposes of communicating with, and purchasing properties from the CCLBA.

7. It was further part of the scheme that SALEH formed Dynamic Developers, Inc., to be used as a vehicle to purchase properties from the CCLBA on SALEH's behalf, and caused Straw Buyer C to be falsely listed as the president of Dynamic Developers, Inc., when, in fact, the company was controlled by SALEH.

8. It was further part of the scheme that SALEH caused Windy City Development, LLC, a real estate development company owned by SALEH's associate, Individual A, to be added to the CCLBA's preferred developers list, and then caused certain straw buyers, including Straw Buyer A and Straw Buyer B, to apply to purchase CCLBA properties in the name of Windy City Development, even though

Straw Buyer A and Straw Buyer B did not have an interest in Windy City Development.

9. It was further part of the scheme that SALEH, in his role as Asset Manager, certified that certain properties that he fraudulently obtained from the CCLBA had been adequately improved by the buyer, so that CCLBA could lift its deed restrictions on the properties. In doing so, SALEH concealed his personal financial interest in the properties from the CCLBA.

10. It was further part of the scheme that SALEH marketed the Subject Properties for resale, negotiated sales prices with the end buyers, and directed the straw buyers to resell the properties to the end buyers.

11. It was further part of the scheme that SALEH fraudulently caused the CCLBA to sell the following properties (collectively, the "Subject Properties") to straw buyers on SALEH's behalf:

- a. 10322 South Komensky Avenue, Unit C, Oak Lawn, Illinois ("Property 1"), sold to Straw Buyer A on or about March 7, 2016, for approximately \$67,000, of which approximately \$52,546 was paid for by CCLBA sales credits.
- b. 14604 South Sawyer Avenue, Midlothian, Illinois ("Property 2"), sold to Straw Buyer A on or about October 6, 2016, for \$93,000, of which approximately \$43,000 was paid for by CCLBA sales credits.
- c. 4209 West 24th Place, Chicago, Illinois ("Property 3"), sold to Straw Buyer B on or about December 6, 2016, for approximately \$57,000, of which approximately \$36,000 was paid for by CCLBA sales credits.
- d. 3619 South Francisco Avenue, Chicago, Illinois ("Property 4"), sold to Dynamic Developers Inc., an entity falsely represented to be controlled by Straw Buyer C, on or about March 4, 2019, for

approximately \$146,529, of which approximately \$91,529 was paid for by CCLBA sales credits.

- e. 7945 South East End, Chicago, Illinois (“Property 5”), sold to Dynamic Developers Inc., an entity falsely represented to be controlled by Straw Buyer C, on or about October 21, 2019, for approximately \$76,560, of which approximately \$41,560 was paid for by CCLBA sales credits.
- f. 2941 East 96th Street, Chicago, Illinois (“Property 6”), sold to Straw Buyer D on or about June 25, 2018, for approximately \$111,010 of which approximately \$61,798 was paid for by CCLBA sales credits.

12. It was further part of the scheme that SALEH caused the straw buyers to resell the Subject Properties as follows:

- a. On or about September 26, 2016, Property 1 was sold by Straw Buyer A to End Buyer 1 for a total sales price of approximately \$89,000, which resulted in sales proceeds of approximately \$75,124.84.
- b. On or about June 7th, 2017, Property 2 was sold by Straw Buyer A to End Buyer 2 for a total sales price of approximately \$145,000 which resulted in sales proceeds of approximately \$124,868.19.
- c. On or about May 25, 2018, Property 3 was sold by Straw Buyer B to End Buyer 3 for a total sales price of approximately \$290,000, which resulted in sales proceeds of approximately \$256,923.22.
- d. On or about December 16, 2019, Property 4 was sold by Dynamic Developers Inc., an entity falsely represented to be controlled by Straw Buyer C, to End Buyer 4 for a total sales price of approximately \$307,000, which resulted in sales proceeds of approximately \$271,655.21.
- e. On or about April 2, 2021, Property 5 was sold by Dynamic Developers Inc., an entity falsely represented to be controlled by Individual C, to End Buyer 5 for a total sales price of approximately \$179,900, which resulted in sales proceeds of approximately \$119,201.44

13. It was further part of the scheme that, after the resales of Properties 1, 2 and 3, SALEH caused the straw buyers to deliver the proceeds of the property sales to SALEH.

14. It was further part of the scheme that, after the resales of Properties 4 and 5, SALEH caused the proceeds of the property sales to be wired directly to a bank account in the name of Dynamic Developers, Inc., which SALEH controlled.

15. It was further part of the scheme that, after the sale of Property 6 to Individual D, SALEH caused Individual D to quit claim deed Property 6 to Dynamic Developers while the CCLBA's deed restriction was still in place, after which SALEH rented Property 6 to private individuals without the knowledge or permission of the CCLBA.

16. It was further part of the scheme that on or about May 18, 2021, during an interview with federal law enforcement, SALEH falsely stated that he had never collected the proceeds from the sale of any CCLBA property.

17. It was further part of the scheme that SALEH misrepresented, concealed, and hid, caused others to misrepresent, conceal, and hide from the CCLBA that SALEH controlled the straw buyers and had a financial interest in the sales of the Subject Properties.

SALEH's Concealed Interest in the Property Management Service

18. It was further part of the scheme that, in or around 2016, SALEH formed property maintenance company known as Evergreen Property Services ("EPS"). SALEH caused Individual E to be falsely listed as the president of EPS,

when, in fact, the company was controlled by SALEH. SALEH directed Individual E to pose as the owner of EPS, including during Individual E's communications with the CCLBA about providing property management services.

19. It was further part of the scheme that, between in or around 2016 and in or around 2019, SALEH caused the CCLBA to hire and pay EPS to perform over \$1 million in property maintenance services.

20. It was further part of the scheme that SALEH misrepresented, concealed, and hid, and caused others to misrepresent, conceal, and hide SALEH's connection to EPS.

21. On or about December 16, 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MUSTAFAA SALEH,

for the purpose of executing the scheme to defraud, knowingly caused by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an interstate wire transfer processed through the Federal Reserve's Fedwire Funds Service system in the amount of approximately \$287,950.62, which funds represented financing to End Buyer 4 for the purchase of Property 4;

In violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATION

The UNITED STATES ATTORNEY alleges:

1. Upon conviction of an offense in violation of Title 18, United States Code, Section 1343, as set forth in this information, defendant shall forfeit to the United States of America any property which constitutes and is derived from proceeds traceable to the offense, including a personal money judgment, as provided in Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(3) and Title 28, United States Code, Section 2461(c).

2. If any of the property described above, as a result of any act or omission by a defendant: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or 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, as provided in Title 21, United States Code, Section 853(p).

AMARJEET
BHACHU

Digitally signed by
AMARJEET BHACHU
Date: 2022.11.22 17:52:48
-06'00'

Signed by Amarjeet S. Bhachu
on behalf of the
UNITED STATES ATTORNEY