

FILED

2018 DEC 21 PM 1:43

CLERK U.S. DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

WILLIAM E. CALLAM,

Defendant.

) INFORMATION

)

)

)

)

)

)

)

)

CASE NO. **5:18 CR 765**

Title 18, Sections 1341, and
1343, United States Code

JUDGE GWIN

GENERAL ALLEGATIONS

At all times material and relevant to this Information:

MAG. JUDGE RUIZ

1. Defendant WILLIAM E. CALLAM resided in Macedonia, Ohio, in the Northern District of Ohio, Eastern Division. CALLAM held himself out as a financial planner and investment adviser.

2. Blackstone Real Estate Group, LLC ("Blackstone") was registered as a Limited Liability Company with the State of Ohio on December 6, 2013. The Articles of Organization filed with the Ohio Secretary of State listed CALLAM and K.T. as the purported incorporators of Blackstone. CALLAM placed and caused to be placed K.T.'s name on the Articles of Organization without K.T.'s knowledge or permission.

3. On or about December 19, 2013, CALLAM opened and caused to be opened a business checking account ending in number x9460 in the name of Blackstone at First National Bank of Pennsylvania (the "FNB Account"). CALLAM was the sole authorized signer for the FNB Account.

4. B.Q. and D.Q., real married persons known to the United States Attorney, resided in Mentor, Ohio, in the Northern District of Ohio, Eastern Division.

5. C.B., a real person known to the United States Attorney, resided in Eastlake, Ohio, in the Northern District of Ohio, Eastern Division.

6. From in or around December 2013, and continuing through the date of this Information, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant WILLIAM E. CALLAM did knowingly devise and intend to devise a scheme and artifice to defraud C.B., B.Q and D.Q. (hereinafter collectively referred to as “the Investors”), and to obtain money and property from the Investors by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme and artifice to defraud:

a. caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343; and

b. placed, and caused to be placed, in any depository for mail matter, any matter and thing to be sent and delivered by the Postal Service, and took and received from the Postal Service, any such matter and thing delivered by the Postal Service, in violation of Title 18, United States Code, Section 1341.

SCHEME TO DEFRAUD

7. It was part of the scheme and artifice that CALLAM represented to the Investors that Blackstone was in the business of financing loans for the purchase and rehabilitation of commercial real property, which loans were purportedly secured by mortgages on the real property.

8. It was further part of the scheme and artifice that CALLAM solicited investments in Blackstone from the Investors by making false and fraudulent representations to the Investors, including that:

- (a) Investments in Blackstone were very liquid;
- (b) Multiple other individuals had invested in Blackstone;
- (c) Investments in Blackstone guaranteed a steady 6% rate of return secured by mortgages on real property; and
- (d) Investing in Blackstone was safe.

9. It was further part of the scheme and artifice that CALLAM caused the Investors to liquidate their annuities, insurance policies and other retirement assets and invest those funds in Blackstone.

10. It was further part of the scheme and artifice that CALLAM failed to use the Investors' funds for purposes related to Blackstone, but instead used the Investors' money to maintain his own personal lifestyle and enrich himself and his family members.

11. It was further part of the scheme and artifice that CALLAM created false investment statements that purported to reflect investors' earnings from Blackstone and provided them to B.Q. and D.Q. to perpetuate the scheme and to avoid its detection.

12. It was further part of the scheme and artifice that CALLAM created false and fraudulent mortgage notes and provided them to B.Q. and D.Q. to perpetuate the scheme and to avoid its detection.

13. As a result of the foregoing scheme and artifice, C.B. was defrauded and sustained losses in the approximate amount of \$192,575.00.

14. As a result of the foregoing scheme and artifice, B.Q. and D.Q. were defrauded and sustained losses in the approximate amount of \$381,571.47.

COUNT 1
(Wire Fraud, in violation of 18 U.S.C. § 1343)

The United States Attorney charges:

15. Paragraphs 1 through 14 of the General Allegations are incorporated herein and realleged by reference.

16. Beginning in or around December 2013, and continuing through the date of this Information, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant WILLIAM E. CALLAM devised and intended to devise a scheme and artifice to defraud the Investors and to obtain money from the Investors by false and fraudulent pretenses, representations, and promises.

17. From in or around December 2013, and continuing through the date of this Information, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant WILLIAM E. CALLAM, for the purpose of executing and attempting to execute the scheme and artifice to defraud described above, transmitted and caused to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, to wit: the following interstate wire transmission:

Count	Date	Description	Origination/ Location	Processed Through	Recipient/ Location
1	12/27/2013	Wire Transfer of \$150,000 from C.B.'s account at Equity Trust Company in Elyria, OH	Fedwire from Citibank, N.A. in California	Federal Reserve Bank in Texas or New Jersey	Blackstone account ending in number x9460 at First National Bank in Hermitage, PA

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

COUNTS 2-5

(Mail Fraud, in violation of 18 U.S.C. § 1341)

The United States Attorney further charges:

18. Paragraphs 1 through 14 of the General Allegations are incorporated herein and realleged by reference.

19. Beginning in or around December 2013 and continuing through the date of this Information, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant WILLIAM E. CALLAM devised and intended to devise a scheme and artifice to defraud the Investors and to obtain money from the Investors by materially false and fraudulent pretenses, representations, and promises.


20. On or about the following dates, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant WILLIAM E. CALLAM, having devised and intended to devise any scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises, for the purpose of executing such scheme and artifice, placed, and caused to be placed, in any depository for mail matter, any matter and thing to be sent and delivered by the Postal Service, and took and received from the Postal

Service, any such matter and thing delivered by the Postal Service, including the following mailings, each representing a separate count of this Information:

Count	Date	Contents of Mailing	Sender	Recipient(s)
2	7/28/2016	(1) Letter dated 12/31/2015 from Blackstone to DQ; (2) Blackstone Statement of Account of DQ dated 12/31/2015.	CALLAM	DQ
3	7/28/2016	(1) Letter dated 12/31/2015 from Blackstone to DQ and BQ; (2) Blackstone Statement of Account of DQ and BQ dated 12/31/2015.	CALLAM	DQ and BQ
4	2/13/2017	(1) Undated letter from Blackstone to DQ; (2) Blackstone Statement of Account of DQ dated 6/30/2016; (3) Blackstone Statement of Account of DQ dated 12/31/2016.	CALLAM	DQ
5	2/13/2017	(1) Undated letter from Blackstone to DQ and BQ; (2) Statement of Account of DQ and BQ dated 6/30/2016; (3) Blackstone Statement of Account of DQ and BQ dated 12/31/2016.	CALLAM	DQ and BQ

All in violation of Title 18, United States Code, Section 1341.

JUSTIN E. HERDMAN
United States Attorney

By: 
Michael L. Collyer, Chief
White Collar Crimes Unit

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the

Northern District of Ohio

5 : 18 CR 765

United States of America

v.

William E. Callam

Case No.

JUDGE GWIN

Defendant

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

Printed name of defendant's attorney

Judge's signature

Judge's printed name and title