

**UNITED STATES DISTRICT COURT FOR THE
CENTRAL DISTRICT OF ILLINOIS
URBANA DIVISION**

UNITED STATES OF AMERICA,)
)
Plaintiff,)

-vs-

Criminal No. 20046

CLYDE D. HOOD,)	
PATRICIA HOOD,	)	18 U.S.C. § 2
BILLIE A. WILSON,	)	18 U.S.C. § 371
JERRY WILSON,	)	18 U.S.C. § 1341
MICHAEL KODOSKY,	)	18 U.S.C. § 1343
KAREN TILLQUIST-BAIBUS,	)	18 U.S.C. § 1956(a)(1)(A)(i)
ARLENE F. DIAMOND	)	18 U.S.C. § 1956(a)(1)(B)(i)
FRANKLIN L. MYERS,	)	18 U.S.C. § 1956(h)
STUART CHRIS ENGEL,	)	18 U.S.C. § 1957
JEFFREY SCHNIBBEN,	)	26 U.S.C. §7206(1)
JAMES TURNER,	)	31 U.S.C. § 5324(a)(3)
PHILLIP HASKELL,	)	18 U.S.C. §982
BRYAN BOES,)	
RICHARD JONES,)	
NANCY JONES,)	
RAYMOND MILLER,)	
TOMMIE McKIBBEN,)	
SUSAN HOEHNE, and)	
BARRY BULLINGTON,)	
Defendants.)	

SUPERSEDING INDICTMENT

THE GRAND JURY CHARGES:

COUNT 1

(MAIL/WIRE FRAUD CONSPIRACY)

At all times relevant to this Indictment:

1. The defendant, CLYDE D. HOOD, resided in the City of Mattoon, Coles County,

Illinois and did business under the name of OMEGA TRUST AND TRADING, LTD.

(alternatively listed as “Omega Trust and Trading Program” and “Omega Trading and Trust, Ltd.”)(hereinafter “Omega”). CLYDE D. HOOD and his co-conspirators represented that Omega was a high yield investment program that would generate extraordinary profits to participants and investors from trading “debentures” or “prime bank notes” in foreign banks (hereinafter “Offshore Trading Programs”). At various times, CLYDE D. HOOD represented himself as the creator, sole owner and operator of Omega.

2. PATRICIA HOOD was the wife of CLYDE D. HOOD and resided with him in Mattoon, Illinois. Patricia Hood was an active participant in the OMEGA venture.

3. BILLIE A. WILSON was CLYDE D. HOOD’s principal assistant in Omega. Among other things, WILSON maintained all or part of the records concerning Omega, communicated in writing and orally with the participants of Omega, and, in general, was the “contact person” for CLYDE D. HOOD. BILLIE A. WILSON was assisted by his son, JERRY WILSON. BILLIE A. WILSON and JERRY WILSON received money from investors, sometimes directly, sometimes indirectly, through third party solicitors or “network marketers,” and delivered much of that money to CLYDE D. HOOD.

4. MICHAEL KODOSKY was a solicitor for Omega who recruited participants or “lenders.” He also recruited other solicitors, collected money from “lenders,” and forwarded much of the money to CLYDE D. HOOD in Mattoon, Illinois. KODOSKY was assisted by his daughter, KAREN TILLQUIST-BAIBUS, in collecting money from “lenders” and hiding the source of the money and its destination.

5. ARLENE F. DIAMOND was a solicitor for Omega who recruited additional participants to sell them “units” or “refund units” in Omega.

THE CONSPIRACY

6. From at least January 1994 and continuing thereafter through at least early August, 2000, within the Central District of Illinois and elsewhere, defendants, CLYDE D. HOOD, PATRICIA HOOD, BILLIE A. WILSON, JERRY WILSON, MICHAEL KODOSKY, KAREN TILLQUIST-BAIBUS and ARLENE F. DIAMOND, together with other persons known and unknown to the Grand Jury, conspired to commit the following offenses against the United States:

- a. To devise a scheme or artifice to defraud and to obtain money or property by means of false or fraudulent pretenses, representations or promises, through the use of the United States mail or another private or commercial interstate carrier, in violation of Title 18, United States Code, Section 1341;
- b. To devise a scheme or artifice to defraud and to obtain money or property by means of false or fraudulent pretenses, representations or promises, through the use of wire communication in interstate commerce in violation of Title 18, United States Code, Section 1343;

OBJECT OF THE CONSPIRACY

7. It was an object and purpose of this conspiracy for the defendants to enrich themselves at the expense of others by soliciting, selling, and offering what they represented to be a “unit” or a part in an “offshore trading program” known as Omega Trust and Trading, Ltd. They then converted, for their personal use and benefit and to the use and benefit of others at their direction, at least \$12,500,000 in funds obtained from the unsuspecting participants in the

program by spending and transferring money through various intermediaries in the State of Illinois and elsewhere.

**THE MANNER AND MEANS
OF THE CONSPIRACY**

8. From at least in or about January 1994, CLYDE D. HOOD and others devised a scheme to fraudulently obtain and did obtain money from others by promoting and offering units in “Omega;” a so-called “offshore trading program,” which the defendants alleged to be trading in “prime bank notes” and/or “foreign bank debentures,” that simply did not exist.

9. To facilitate the promotion and sale of the units in Omega, CLYDE D. HOOD enlisted a number of experienced “network marketers” to promote, solicit and sell the Omega program and to establish multi-level marketing lists. Initially, Hood’s network marketers included defendants BILLIE A. WILSON and MICHAEL KODOSKY of Northern Illinois, who then recruited others to assist them, including defendants JERRY WILSON and KAREN TILLQUIST-BAIBUS. Later, other network marketers sold “units” in Omega, including ARLENE F. DIAMOND of Southern California as well as others around the United States.

10. Participants who bought units in the Omega offshore trading program were promised a return of 50 times their investment plus their initial investment in the program within 275 days. Units were sold for \$100 each and participants could buy as many units as they wished.

11. Participants were told by the defendants and others that their participation in the Omega offshore trading program was that of a “lender” of funds to Omega whose money was to be deposited into an “offshore foundation” for the purposes of effectuating the trade. The

participants were provided with a "Private Party Loan Agreement" which was to evidence their participation in the program.

12. Participants were informed that the Omega offshore trading program was a "roll-over" program where participants were allowed to roll their profits from the initial trade for a limit of two or three "roll-overs" or trades. Participants were told that the profit margin for each of the roll-overs was the same as the original trade so that a participant would receive a profit of 50 to 1 as well as receive their original investment. The participants were further told that if they kept their money in the program for additional rolls, each one would be worth 50 times the amount "rolled over." Therefore, with a "loan" of \$100, the defendants represented that the Omega trading program would pay out \$5100 not later than 275 days from the date of the investment, and if the money was left, or "rolled," the pay out would be \$255,000 after the first roll.

13. Participants were directed to make payment to Omega by money orders or cashier's checks payable to CLYDE D. HOOD and to mail the items and the Private Party Loan Agreement to a third party identified in the agreement. Once the cashier's checks and money orders were received by the third party, they were to be bundled and transported to CLYDE D. HOOD in Mattoon, Illinois directly or sent by a commercial interstate carrier. At some point during the course of the conspiracy, CLYDE D. HOOD authorized some of the marketers to keep and cash one-half of the cashier's checks and money orders.

14. On or about January 10, 1994, CLYDE D. HOOD and BILLIE A. WILSON agreed that BILLIE A. WILSON would act as Omega's general manager and record keeper. CLYDE D. HOOD authorized BILLIE A. WILSON to communicate with the Omega trading

program participants by phone and in writing and to maintain a computerized database with the participants' names and investment amounts and other pertinent information.

15. It was part of BILLIE A. WILSON's job to appease disgruntled or inquiring participants, and to prepare and send program status letters and documents intended to lull investors into believing that the Omega program was legitimate and progressing according to plan.

16. From at least in or about May of 1995, CLYDE D. HOOD, BILLIE A. WILSON and others established a messaging system whereby Omega participants could call one of 17 telephone numbers accessible from various parts of the continental United States to hear a recorded message from CLYDE D. HOOD regarding the status of the program. CLYDE D. HOOD and BILLIE A. WILSON prepared the content of the message and CLYDE D. HOOD phoned a telephone number in Maywood, Illinois to record the message.

17. CLYDE D. HOOD and BILLIE A. WILSON used the phone messaging system to make false and misleading statements regarding the progress of the Omega program, as well as to discourage and quell dissatisfaction by participants questioning the legitimacy of the program and the honesty of its leaders.

18. At least up to and through July, 2000, ARLENE F. DIAMOND created her own messaging system wherein she offered additional shares or "refund shares" in the Omega program for individuals that would send money orders or cash, wrapped in foil, directly to her address in California. ARLENE F. DIAMOND would also use this system to falsely ensure callers that the Omega program was close to paying off.

19. CLYDE D. HOOD and BILLIE A. WILSON repeatedly told participants that they could seek a refund of any money paid to Omega. Refunds were made to disgruntled participants to keep them silent and to eliminate dissension among the participants. The refunds never included interest or the promised payoffs on the “loan” even though they were paid long after the 275 days had passed, and they were paid from funds received from other participants in the program. Some participants were never given a refund despite their requests.

20. Defendants and others used the funds obtained by fraud from “lenders” for defendants’ personal and business purposes and, specifically, for purposes unrelated to any investment in an offshore trading program. By spending the funds received from “lenders” for themselves, the defendants were at all times unable to fully refund all persons who sent money to Omega.

OVERT ACTS

21. In furtherance of this conspiracy, defendants CLYDE D. HOOD, PATRICIA HOOD, BILLIE A. WILSON, JERRY WILSON, MICHAEL KODOSKY, KAREN TILLQUIST-BAIBUS and ARLENE F. DIAMOND, together with others known and unknown to the Grand Jury, committed the following and other overt acts:

22. In or about late 1993 and early 1994, CLYDE D. HOOD approached an acquaintance and inquired about getting in contact with private “network marketers” to solicit individuals to send money to him as part of the “Omega Trust and Trading, Ltd.” program.

23. On or about January 10, 1994, CLYDE D. HOOD and BILLIE A. WILSON entered into an agreement for BILLIE A. WILSON to manage the daily affairs for Omega, and to act as a buffer between CLYDE D. HOOD and the people sending money.

24. On or about May 23, 1994, BILLIE A. WILSON enlisted the assistance of JERRY WILSON to organize in a computer database records of the participants' money which was being sent to CLYDE D. HOOD in response to the OMEGA solicitations and the efforts of the marketers.

25. Between June 1994 and July 2000, BILLIE A. WILSON and JERRY WILSON received numerous personal checks, cashier's checks, money orders and cash payable to CLYDE D. HOOD, to OMEGA and to themselves. Much of this money deposited went into bank accounts controlled by them.

26. On or about April 10, 1994, in an effort to recruit additional marketers, BILLIE A. WILSON represented to P.G., who later became a solicitor for Omega, that CLYDE D. HOOD was an international banker, that CLYDE D. HOOD owned a trust on the island of Guernsey, that CLYDE D. HOOD owned three banks, that CLYDE D. HOOD was one of seven men in the world who did this type of trading in Europe, and that CLYDE D. HOOD was starting the Omega program as a "Christian program" to help out those in the world that needed money. In trying to recruit PG to sell "units" of the Omega Trading and Trust, BILLIE A. WILSON told PG that he did not have to invest any of his own money, but just needed to market the Omega program and build up commissions which would then be put in the Omega program and would be "rolled" as if money was invested. WILSON instructed PG to do everything precisely as instructed, requiring that money orders or cashier's checks solicited be made payable to CLYDE D. HOOD and forwarded to BILLIE A. WILSON, at a certain address in Wauconda, Illinois.

27. In or about September of 1994, CLYDE D. HOOD traveled to Oregon where he met with “lenders” of Omega. During this meeting, he represented that:

- a: Omega was a “loan agreement” with a return or profit of 50 to 1.
- b: A huge profit would be made on a “buy-sell” agreement and then transferred to everyone in the Omega program.
- c: He could do a “\$250,000,000 deal in the morning and again in the afternoon four times a week.” He further represented that “You must use a prime bank.”
- d: He “...had been in the business for 15-16 years” and that he “had done this deal before for Fortune 500 companies.”
- e: The transaction would be completed for Omega through a Zurich bank.
- f: “Profit will be made by buying-selling agreements. Buying bank notes, buying bank guarantees.”
- g: The bank he was dealing with was located in the Channel Islands, Guernsey, United Kingdom. The bank was not named yet, but Credit Suisse was the “corresponding bank.”
- h: He represented that “I’m the only one with control; I’m the only one with the collateral account, I’m the one with the fiduciary bank,

and you can't buy it, you have to earn it. There are only seven or eight people in the world that can do all this.”

i: “The program and all three rolls should be completed by the end” of 1994.

28. In or about 1995, MICHAEL KODOSKY started soliciting individuals to buy and sell additional units in the Omega program and send the money to him.

29. On at least 72 occasions from mid-1995 through July, 2000, CLYDE D. HOOD, and others wrote and recorded messages directed at the Omega participants. The messages contained misinformation, misrepresentations and falsehoods that were intended to deceive the participants into sending more money, and to lull the participants into a false sense of security. The victims were often told that everything was progressing according to plan, and that they would soon reap the large financial gains promised. Often times they were told that they should start some financial planning for their soon-to-be-realized fortunes. However, despite these assurances, the subsequent messages would announce a short delay caused by one event or another. This cycle was repeated frequently over approximately five years. During this time, BILLIE A. WILSON and PATRICIA HOOD would contact another person or persons to post these messages to telephone “update” lines across the United States. Among these messages were:

a: On or about May 26, 1995, CLYDE D. HOOD described the “roll” system as follows: “If you put \$100 in, 50 times that will be \$5100 you get back.

The first roll you put \$5100 times 50, the second roll you can put \$5100 times 50, the third roll you can put \$5100 times 50. In essence, what you receive from the loan agreement you can put in each and every roll that amount.”

- b: On or about June 2, 1995, CLYDE D. HOOD represented that “We are on target. I am in control. We will have it completed as of our target date.”
- c: On or about July 20, 1995, CLYDE D. HOOD represented that “everything is going fine; we are, we are, repeat a week away where I’ll be going to get this thing completed for us. It will be completed as on schedule the 24th, starting the loan agreement and will be completed the 25th.”
- d: On or about July 25, 1995, CLYDE D. HOOD represented that “I’m shocked and in pain with the greed, the jealousy, and the desire of power of some of my fellow brothers involved in the Omega loan program. The rumors, greed, and jealousy, etc. have followed me from the U.S. and to Europe. Due to the secrecy requirements because of all the above problems created I will not put another update on until we get finished.”
- e: On or about August 22, 1995, CLYDE D. HOOD represented that “To solve any problems created by some of our lenders has been long, hard struggle. The problems created by those lenders has caused the trust and

foundation to assume that we cannot control our in-house bickering and jealousy at this time. They are trying to decide if they want to do future business with us. If they decide against us, it would delay the future rolls only. The transactions phase, excuse me, would proceed since we do have a signed agreement on this portion.”

- f: On or about August 25, 1995, CLYDE D. HOOD represented that “I am over here again, across the waters. I am still in control of the trust and foundation. And we are working very, very hard to complete the program. We are very, very close, not just a lot of words but we are.”
- g: On or before September 5, 1995, CLYDE D. HOOD represented that “We have been working very hard to resolve the last of the problems and we are very confident that the transaction phase will be under way next week. We have made some minor progress on the roll situation...After the transaction phase is complete we will do our very best to resolve the roll situation. I think without any problem. A lot of negotiation will be required for the trust and foundation to permit them to proceed with the rolls.”
- h: On or about September 9, 1995, CLYDE D. HOOD represented that “we do expect to start the transaction Monday or Tuesday of the coming week.”

- i: On or about September 28, 1995, CLYDE D. HOOD represented that "...I will tell you all problems that we are aware of have been resolved. And we do expect to start the transaction phase within the next few days. As the transaction phase is completed, I plan to spend a short time with my family and then we will go to work to resolve the roll situation, which we have no problems. Please, whatever you do, don't listen to all the vicious rumors being circulated."
- j: On or about October 18, 1995, CLYDE D. HOOD represented that "We have had and have tried successfully to get this completed. I had people follow me over there, they put in pay orders, they tried to steal it. They can't steal it, all they can do is delay it or they can make us go to another bank. We are in the process of starting and we will start this week. Today is Wednesday in your country. I hope to have a start tomorrow the 19th or 20th and see if it will hold up. Don't worry, we will be there very soon. It is real."
- k: On or about October 31, 1995, CLYDE D. HOOD represented that "the trust and foundation, the Lord has opened that up for us. They normally close November the 15th and don't open up till January the 15th of the following year. The trust and foundation has agreed and assured me that if we need to go past November the 15th of 95— of this year they will stay

open till we can and be able to complete this...There is two requests I ask you to do if you would, please. Be patient. We are there. We will get it finished. Also, keep the Lord's warehouse full."

l: On or about November 6, 1995, CLYDE D. HOOD represented that "we have finally received some good news over the weekend, that four new banks have been secured. That no one can intervene and steal our transactions."

m: On or about November 17, 1995, CLYDE D. HOOD represented that "I recently had a chance to come home for a few days, while the trusts and new banks were getting prepared."

n: On or about December 4, 1995, CLYDE D. HOOD represented that "we have had several discussions in the last two days to finalize everything. And all parties have requested a meeting for sometime this week to sign off on the transaction. When I mean sign off, that means to complete it. We are in the process of coordinating that meeting now. The trust and foundation is still open and waiting on the meeting so we can get started."

o: On or about December 18, 1995, CLYDE D. HOOD represented that "we are happy to report that the transaction phase of Omega has begun. Due to time...at this late date it is physically impossible to get checks and or credit cards to everyone before Christmas. And virtually all banking operations in

Europe are at a stand still between Christmas and New Years. The banks will not start preparing and shipping your checks and or credit cards until January, 1996.”

p: On or about January 19, 1996, CLYDE D. HOOD represented that “All of your accounts and cards and checks will be sent to you from off shore as per your agreement and our agreement. We are now setting up all the accounts and I’m still receiving all of your changes every Tuesday. So it will be up to date when we complete the loan agreement. We are checking and rechecking to make sure that your accounts are all legal, and we will be able to use your funds or your cards or your checks per your instructions.”

q: On or about January 26, 1996, CLYDE D. HOOD represented that “I am sorry that I don’t have the wonderful news at this message, but I believe this will be the last one you people will be getting from me because we’re ready. It is and we did not realize, the bank is taking longer than we anticipated to be sure everything is right and all T’s crossed right and all I’s are dotted. So please bear with us on that.”

r: On or about February 5, 1996, CLYDE D. HOOD represented that “But I am sorry the bank is taking much longer confirming the amounts due to each Omega lender than I anticipated. They require complete accuracy. They are still reviewing this information on a computer disk provided to

them. We anticipated starting to fax questions to BILLIE A. WILSON this week, or so, to confirm these or those accounts. After all accounts are confirmed the bank can start preparing credit cards and checks as requested by your, by our lenders excuse me. This will be shipped by overnight service.”

s: On or about February 27, 1996, CLYDE D. HOOD represented that “The banks are still dragging their feet a little bit. I have done everything possible that I can do or say or beg or threaten or what have you. To get this ready to go and be completed. We are there. I know you heard before, but I will tell you one more time. We are there. We are just about finished, according to my conversation.”

t: On or about April 8, 1996, CLYDE D. HOOD represented that “Now, the good news, the bank advised that they are almost complete with their review of the information provided on the disk. Once they are complete, I expect them to start preparing the checks and credit cards within the next several days. For security reasons I cannot, I repeat, I cannot and will not give you an exact date. However, you should be very happy, soon. You should understand that we must be very cautious about releasing certain information, but we are operating in a hostile world. The greed factor plays a major role when it comes to money. And some of the players in the

financial arena will stop at nothing in order to get their hands on any transaction being put together.”

u: On or about May 3, 1996, CLYDE D. HOOD represented that “Now the news you’re waiting for. I’m very excited today at the latest meeting with the banks. The banks advised they have completed their review of all the information provided. They will now start establishing accounts, preparing your cards, your checks and other requirements you have asked for. They estimate that this will take three to four weeks. Yes, three to four weeks, and it will be in your hands to complete and the bank will ship all the packages at one time direct from off shore when they are completed. I know this sounds like a long time but we are there. It is done, but this is for reasons that I’ll have to explain when everybody receives it.”

v: On or about June 3, 1996, CLYDE D. HOOD represented that “Omega has been interrupted due to some unforeseen international financial conflicts. These situations or those situations, should be completed June the 17th, 1996. And the banks then will continue to process your checks and credit cards. I am sorry for the delays but there is nothing anyone can do about this interruption. The bank will ship all packages at one time direct from offshore when they are completed. I have made agreements

with Gary Holland and MIKE KODOSKY for Omega to have a pay out for loans received by them prior to this date, June the 3rd, 1996.”

w: On or about June 26, 1996, CLYDE D. HOOD represented that “The bank is still working on the cards and drafts per your wishes. At this time they are still working on them. We have no other problems but the bank to complete what we need to do as far as the credit cards, your drafts and everything. So it will meet your wishes that you have replied or requested for us to handle your situation.”

x: On or about July 30, 1996, CLYDE D. HOOD represented that “we should have been completed before now we’re still working on it very, very hard. We are very, very close to it. I cannot give you a date at this time. If I can’t give you a date I’ll be back on just as quick even if it’s a matter of eight hours. We are there. Bear with me please a little longer. I know it’s hard. You heard it many times before but I’ll tell you again, we are there. We will have it. I can’t give you a date.”

y: On or about August 6, 1996, CLYDE D. HOOD represented that “We are about I’m just excited I-- I’m stuttering, I can’t even bring my words out. Ah, we are at least 90% completion from our-the last time I have talked to you on the 30th. I think, of July. We are there. Please bear with me. We will all rejoice together on this.”

- z: On or about August 14, 1996, CLYDE D. HOOD represented that “I was anticipating putting a good word on today that we are completed. We’re ready to go for everything. But at this time we’re just not quite there. But its very, very, very close.”
- aa: On or about August 22, 1996, CLYDE D. HOOD represented that “I’m very happy to report the transactional phrase of Omega should be completed within one week. This is if everything goes right and I can’t see any delays or anything like that.”
- bb: On or about September 2, 1996, CLYDE D. HOOD represented that “Please listen very care carefully to this message, for the rumors you are spreading, you are continuing to cause problems. And the more problems you create, the longer it will be before you are rewarded. Is that what you want? For your own good, I cannot and will not give anyone details of what we are accomplishing or the exact date you will be rewarded. If I release those details or the exact date, just imagine how many problems could be created. You know, as well as I do, there are numerous individuals and entities that would love to see us fail. But my Lord will not fail to complete what he has started. Also, please understand clearly that BILL WILSON is still the only person authorized to make Omega refunds or to replace those refunds if he so chooses.”

- cc: On or about October 7, 1996, CLYDE D. HOOD represented that “I’ve been extremely busy trying to get things wrapped up to make all of our lenders happy. Again, I cannot and will not give anyone details of what we are accomplishing or the exact date you will be rewarded. Just keep the faith in Omega please.”
- dd: On or about January 28, 1997, CLYDE D. HOOD represented that “I’m still across the pond. I have made all the arrangements and have a agreement with the parties here that Tuesday will be, we will be getting together to finalize what we can. Ah, I apologize again without my knowledge we did have a, looks like a couple weeks delay. I am very sorry but thank you very much for your patience.”
- ee: On or about February 16, 1997, CLYDE D. HOOD represented that “Ah, it’s not quite, quite ready yet but bear with us, we are working on it very, very hard. And nobody has stole it and nobody is going to take it away from us. Ah, ah by now you people know it is the Lord’s program. It is not mine it’s not anybody else’s. So we are working very hard, diligently and we will take care of it.”
- ff: On or about March 6, 1997, CLYDE D. HOOD represented that “Within the next two days, BILL WILSON, will be told to ship the latest information he has to the barrister for the next step and the process can be

completed. Then the banks can establish the accounts and start shipping the packages. Now that we are this far, just be patient please, just a little bit longer. If you have not moved, have not, I repeat, please do not, do not send your address to BILL WILSON just to be sure. Many of you are upset because I did not tell you the price of the book mentioned on my last message last week. Make a check payable for \$24 to books comma books and mail to JERRY WILSON or BILL WILSON at the same address of BILL WILSON. Now they did not write this book. This is a printed ah book that comes out of Canada. So I don't want you to think they are making something off of it."

gg: On or before April 7, 1997, CLYDE D. HOOD represented that "Ah, we have a little bit of a complications with the our situation. Ah, I have no malice in my heart for the people whose causing it. But we are, some people, a group of maybe fourteen are causing a little bit of a problem. We will overcome it. We will not fail on this at all. They have not succeeded. They will not succeed. So I thought I should, this is a very hard decision for me to make, to put on it to inform everybody cause a lot people get panicky and scared and what have you. But ah there I've contended all along, there are people trying to ah stop this and what have you. But it like I said, I prayed over this, and so I am discussing this with everybody on the

open line. Ah, I will have an update in about a week which will be should be a very good one. So have a, enjoy a very happy Easter for everybody. And don't worry, just ah have prayer line or prayer going for us to overcome all this."

hh: On or about April 8, 1997, CLYDE D. HOOD represented that "... we are very happy with the progress we are making with the problem created by several of our lenders. It appears as though the problem will be resolved in the next 3 or 4 days. Until the problem is finalized the trust and foundation will not establish a schedule for completion. Hopefully by this time next week, I will either be offshore or have a schedule as to when trust and foundation will be ready for completion."

ii: On or about May 23, 1997, CLYDE D. HOOD represented that "I still expect the current issues with our lenders to be resolved within the next few days...Again I ask our lenders to continue the daily prayers and I sincerely believe in my heart that our supreme commander's directing me in fighting this battle against Satan and his disciples. Please remember who's in charge of this battle and I can assure you that with His guidance as commander we will win this battle."

- jj: On or about June 2, 1997, CLYDE D. HOOD represented that “We have worked all week, through the weekend and quite frankly the problem lenders are still trying everything possible to destroy Omega.”
- kk: On or about June 27, 1997, CLYDE D. HOOD represented that “I will assure each and every one of you when we are ready to go, and the time frame. I will have one just as quickly as I can. I’m not holding anything back from anybody. I’m just giving you the information that I can give you that I know that is a fact.”
- ll: On or about July 20, 1997, CLYDE D. HOOD represented that “since the letters went out we have received information from a lot of people who sent loans to people claiming to represent Omega who had no connection with Omega. We are trying to work our way through these letters and will contact each person as time permits. If you think you made a loan to Omega Trust and Trading Limited and did not receive the letter, please submit your current address and a copy of all documentation. I need your documentation to me at 1020 South 15th Street, Mattoon, Illinois, 61938. If you’ve already sent a letter and documentation, please do not send another one because I am running a little bit behind. We are still receiving letters returned by the postal service without forwarding address. We will correct that. Our lenders should continue their daily prayers and please

remember that our Lord's guidance. We are definitely winning this battle.

The walls are crumbling and we think they are about ready to collapse. I

think they are done.”

mm. On or about August 11, 1997, CLYDE D. HOOD represented that

“There's are all kinds of rumors flying, so let me tell you the truth and I don't want to keep anything from you... Last Tuesday, so that will be August the 5th... the, I think it was the Internal Revenue, the SEC, Postal Inspector, and the FBI raided and took three computers, a screener, a copying machine, typewriter ribbons, paper work, tons of paper work we had from the responses from you people. They took twenty-five envelopes that had addresses and stamps on them and refunds checks in them to people that had, that had requested refunds. The I think there was about four thousand dollars of cash and money orders they took, they took, believe it or not, a electric envelope opener. Ah, ah I know some of you people out there are going to think, well, this is another delay or stall or something, but at this very moment we are faxing out the search warrant. The date on it, who signed it, and all the items they have taken. So I don't want any of you people think that we're standing still, we're like a big puppy and everything is over with. It's far from being over. Our attorneys now are still, still working on this for us very hard and vigorous. And I do

hope to get out very, very soon to compete this and show them. We can't really, theoretically, complete this, because we don't have the names, you people's names and addresses, everybody and the amounts. They have them now. So I just wish them a lot of luck and I, I have no malice in my heart for them...Also they're taking my mail, registered mail and other mail and copying it before I receive it. So if you send anything here registered I will not accept it. If you're going to send something to me, just put my name on the outside. Don't put no return address and that will maybe give them the word on the issue."

- nn. On or about September 19, 1997, CLYDE D. HOOD represented that "I'm sorry we have been delayed with unforeseen problems which are beyond my control. I have worked and I am still working very hard to get this project completed, as I assure I will complete it."
- oo. On or about November 12, 1997, CLYDE D. HOOD represented that "We are in a very serious critical decision with some very powerful and influential people to get the clearance needed to and for the completion. I cannot take the chance on anything jeopardizing the outcome."
- pp. On or about November 26, 1997, CLYDE D. HOOD represented that "Rest assured I will complete Omega. That is a guarantee...Again, I must remind you that the only person who knows if refunds have been made and

are available for replacement is BILL WILSON. Do not send your money to anyone else except Omega Trust and Trading Limited to be responsible to you.”

qq. On or about December 31, 1997, CLYDE D. HOOD represented that “I’m still not available to talk to anyone about Omega. We are still waiting the clearance needed for completion and cannot take a chance on anything jeopardizing the outcome.”

rr. On or about January 9, 1998, CLYDE D. HOOD represented that “regarding the funding for Omega, we have tentatively scheduled a test to run next week. If everything continues which it should, to work the way we are proceeding, we think the funding should get under way within a reasonable amount of time thereafter.”

ss. On or about January 29, 1998, CLYDE D. HOOD represented that “Regarding the funding, we ran the test as scheduled and some problems did arise. The problems were modified and we are in the process to run the test again at this time. And those results should be available to us early next week. If the tests prove successful, and there’s no reason to believe otherwise, we think the funding should get under way within a reasonable amount of time thereafter. I think Omega completion is close at hand.”

- tt. On or about March 22, 1998, CLYDE D. HOOD represented that “For the record, I, Clyde D. Hood, am the sole proprietor of Omega Trust and Trading Limited. In other words, I do not have any partners. I have said repeatedly in the past, the only person that knows if refunds are available is BILL WILSON. I have agreed to honor all loans sent to MIKE KODOSKY, Gary Holland up to December the 4th, 1997. If you have sent loans to them for delivery, I repeat, delivery after December the 4th, 1997, do not expect Omega Trust and Trading Limited to honor those loans...Regarding the funding, listen to this closely, please, with others listening to our messages, do not expect me to give you an exact date when funding will start. This is not a cop out... I will tell you that the procedural process or a transaction date has been established and hopefully most of you will be surprised and happy very soon...I know that Omega completion is drawing very near.”
- uu. On or about May 5, 1998, CLYDE D. HOOD represented that “Regarding the funding I’m still offshore, wrapping up the final documentation required to compete the project. With others listening to our message, do not expect me to give you the exact date when funding will start. I will tell you that the established transaction date is still intact and we are still on target to meet that date.”

- vv. On or about October 12, 1998, CLYDE D. HOOD represented that “Regarding the funding I told you an early message I had completed wrapping up the final documentation required for the project. Since that date, we have continued preparing everything in place for the funding. As soon as I get our legal counsel finalizes the matter previously discussed we expect to get underway. With others listening to our message do not expect me to give you that, give you the exact date when your package will be sent to you. I still expect to be able to release to BILL WILSON to send the information to those in the official database with approved document loans very, very soon.”
- ww. On or about December 11, 1998, CLYDE D. HOOD represented that “regarding the funding, I had a very successful meeting with an expert trader during the last few days. He has agreed to help us out and is getting everything geared up to get the trading under way. The target to proceed with trading is mid to late next week. Immediately after completion, the bank can release the debit cards and cashier’s checks to our lenders. Do not expect me to give you the exact date when your package will be sent to you.”
- xx. On or about February 27, 1999, CLYDE D. HOOD represented that “I am extremely pleased now that we are in the final approach to completing our

project. And I had planned to release the time frame for funding today.

However, our legal counsel has strongly objected to the release of that type of information...I have advised BILL WILSON to start getting everything prepared so he will be ready to send the information to our lenders in the very near future.”

yy. On or about April 12, 1999, CLYDE D. HOOD represented that “I am still extremely pleased that we are in a final approach to completion.”

zz. On or about June 29, 1999, CLYDE D. HOOD represented that “please be advised there will not be another new message until funding is completed. Take this for what it is worth, a very, very good sign.”

30. In or about the beginning of September, 1995, CLYDE D. HOOD traveled to Switzerland and had BILLIE A. WILSON make arrangements for certain “lenders” to call HOOD at a number in Switzerland. This was to give the impression to the “lenders” that HOOD was in fact performing as promised.

31. During the year 1995, BILLIE A. WILSON and JERRY WILSON deposited investor money totaling over \$186,000 into a bank account in the name of JERRY WILSON at the First of America Bank. During the year 1996, over \$433,000 of investor money was deposited into that account.

32. In or about March 1996, MICHAEL KODOSKY and KAREN TILLQUIST-BAIBUS caused a mail box at Chief's Pak Express, with the address of 1304 Algonquin Road,

Suite 331, Algonquin, Illinois, to be rented. MIKE KODOSKY and KAREN TILLQUIST-BAIBUS had the authority to pick up mail and packages from this location. KAREN TILLQUIST-BAIBUS instructed employees at this mail drop not to give out any information about them to persons looking for MICHAEL KODOSKY or the owner of Suite 331, and not to address her by name if there was any other person in the business.

33. In or about February 2000, a “lender” called the telephone number for MICHAEL KODOSKY to inquire as to the status of his “investment,” and left a message on the answering machine. He received a return call and was told that he has not yet received the money promised due to a “glitch with the satellite” which Omega was only able to use a “couple of hours” each day, so they (OMEGA) were having trouble transferring money from the “bank in Guernsey.”

34. On or about February 19, 1999, an individual with the initials JE of Texas was induced by the defendants’ representations to send a \$5000 cashier’s check which he mailed to MICHAEL KODOSKY at 1304 Algonquin Road, Suite 331, Algonquin, Illinois. On or about February 20, 1999, MICHAEL KODOSKY, assisted by KAREN TILLQUIST-BAIBUS, forwarded the \$5000 cashier’s check to CLYDE D. HOOD. JE was expecting to receive a return of \$255,000 within 275 days. On or about May 15, 1999, CLYDE D. HOOD and STUART CHRIS ENGEL each endorsed the cashier’s check and attempted to deposit it at the State Bank of Farina in Farina, Illinois.

35. On or about March 22, 1999, JE was induced to send another \$700 cashier’s check to MICHAEL KODOSKY at 1304 Algonquin Road, Suite 331, Algonquin, Illinois. Again,

the check was taken from the mail drop and forwarded to CLYDE D. HOOD in Mattoon, Illinois. This check was endorsed by CLYDE D. HOOD, and through STUART CHRIS ENGEL was sent to SUSAN HOEHNE in McAlester, Oklahoma, where it was cashed, added with others, and sent back to CLYDE D. HOOD. At no time was the money used in an “offshore trading program” or used to trade “prime bank notes” or “prime bank debentures.”

36. Prior to January of 1995, an individual with the initials P.G., who had solicited investors for the “Omega” program, was told by CLYDE D. HOOD that he would receive 50% of the money he raised for Omega. P.G. requested that CLYDE D. HOOD send an acknowledgment back for each of the “lenders” who sent money. On or about January 5, 1995, PATRICIA A. HOOD told P.G. that the 2,000 acknowledgments were mailed but that a mail truck containing that package had burned in Mattoon, Illinois. This was a false statement.

37. On or about January 25, 2000, ARLENE F. DIAMOND called a “lender,” representing that she was in the State of Illinois, and stated that she had received the “lender’s” additional “investment” of \$600 cash, and that the lender then qualified for a free trust through CLYDE D. HOOD and the Omega program whereby the lender could keep the proceeds from the OMEGA program offshore and not pay taxes on it until the money was brought into the United States. ARLENE F. DIAMOND had requested that cash, wrapped in tin foil, be sent to her via Federal Express to purchase additional units, and represented that she would pass the money on to CLYDE D. HOOD.

38. In or about July, 2000, ARLENE F. DIAMOND recorded a message on to her “update line” which offered to sell “refund shares” in Omega, representing that “there are still a few left.” To purchase these, a person would have to send cash, wrapped in tin foil to her address. She also stated that those who purchased “10 or more” shares would be given a “free trust” from Omega in which they could deposit their proceeds.

In violation of Title 18, United States Code, Section 371.

THE GRAND JURY FURTHER CHARGES:

COUNT 2

(MAIL FRAUD)

1. The Grand Jury realleges and incorporates by reference the allegations in Paragraphs 1 through 5 and 8 through 38 of Count 1 of this Indictment.

2. From at least on or about January 1, 1994, through at least in or about August, 2000, in the Central District of Illinois and elsewhere,

**CLYDE D. HOOD,
PATRICIA HOOD,
BILLIE A. WILSON,
JERRY WILSON,
MICHAEL KODOSKY,
KAREN TILLQUIST-BAIBUS and
ARLENE F. DIAMOND**

defendants herein, did intentionally devise and intend to devise a scheme and artifice to defraud and to obtain money and other property by means of false and fraudulent pretenses, representations and promises through falsely offering people units of an investment program that did not exist.

3. It was a part of this scheme to defraud that CLYDE D. HOOD, claiming that he had a “vision from God,” that told him to “help the little people,” started telling people that he could guarantee a return of 50 to 1 on investments or “loans” through the trading of “prime bank notes” or “prime bank debentures.”

4. It was a part of the scheme to defraud that to give credibility to his Omega trading program, to create a sense of security, confidence and trust in him and in Omega and to convince participants to give him their money, CLYDE D. HOOD, and others on his behalf, falsely represented that CLYDE D. HOOD was an experienced international banker and trader. Further, CLYDE D. HOOD, and others on his behalf, falsely claimed that CLYDE D. HOOD had worked for the past 15 years as an international prime bank note trader for several Fortune 500 corporations and the United States Olympic Team, and that he was responsible for making millions of dollars for those entities over the years.

5. It was a further part of the scheme that CLYDE D. HOOD, and others on his behalf, falsely claimed that CLYDE D. HOOD was one of only 7 or 8 persons world wide who had the knowledge, expertise and capability to conduct these secret multimillion dollar trades.

6. It was a further part of the scheme to defraud that CLYDE D. HOOD, PATRICIA HOOD, BILLIE A. WILSON, JERRY WILSON, MICHAEL KODOSKY, KAREN TILLQUIST-BAIBUS and ARLENE F. DIAMOND attempted to lull Omega participants into a false sense of security regarding the legitimacy of the program by assuring participants that they would receive a full refund of their money upon their request. In fact, the participants were discouraged from requesting a refund and those who did make a refund request either received nothing or received funds which the defendants received from other “lenders”.

7. It was a further part of the scheme to defraud that CLYDE D. HOOD, PATRICIA HOOD, BILLIE A. WILSON, JERRY WILSON, MICHAEL KODOSKY, KAREN TILLQUIST-BAIBUS and ARLENE DIAMOND then offered to sell “refund units” to other lenders, representing that there was only a limited amount of “units” that could be sold. In fact, the defendants knew that much more money was being sent to purchase these “refund units” than the amount of refunds that had been paid. The defendants’ representations that such “units” were limited were designed to pressure prospective participants into sending their money more quickly and in greater amounts.

8. Once CLYDE D. HOOD was in possession of the participants’ checks, he would endorse them and cause them to be deposited in bank accounts in the names of the different persons, both known and unknown, including those as outlined in Count 9 of this indictment.

9. At CLYDE D. HOOD’s direction, funds were then taken out of the accounts and converted to his own personal use and to the use of his co-schemers, as well as to the use and benefit of their relatives and friends, who used the money for the purchase of real estate, vehicles and businesses, interest-free loans for friends and relatives and living expenses. They did NOT use the money to finance an offshore trading program of “prime bank notes” or debentures as had been represented to their “lenders.”

10. On or about July 2, 1997, in the Central District of Illinois and elsewhere,

**CLYDE D. HOOD,
PATRICIA HOOD,
BILLIE A. WILSON,
JERRY WILSON,
MICHAEL KODOSKY,
KAREN TILLQUIST-BAIBUS and
ARLENE F. DIAMOND**

defendants herein, for the purpose of executing said scheme did knowingly cause to be delivered by United States mail, according to the direction thereon, an envelope containing certified letter number P 158 199 835 which contained a letter seeking a confirmation of money sent to Omega, and which enclosed copies of Cashier's Check Number 54263 drawn on the Kent Credit Union in Kent, Ohio, which was made payable to and endorsed by CLYDE D. HOOD, sent from Kent, Ohio and sent to CLYDE D. HOOD, 1020 S. 15th Street, Mattoon, Illinois 61938;

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

THE GRAND JURY FURTHER CHARGES:

COUNT 3

(MAIL FRAUD)

1. The Grand Jury realleges and incorporates by reference the allegations in Paragraphs 1 through 5 and 8 through 38 of Count 1 and paragraphs 1 through 9 of Count 2 of this Indictment.

2. On or about July 12, 1999, in the Central District of Illinois and elsewhere,

**CLYDE D. HOOD,
PATRICIA HOOD,
BILLIE A. WILSON,
JERRY WILSON,
MICHAEL KODOSKY,
KAREN TILLQUIST-BAIBUS and
ARLENE F. DIAMOND**

defendants herein, for the purpose of executing said scheme did knowingly cause to be delivered by Federal Express, a commercial interstate carrier, according to the direction thereon, a package containing Traveler's Express Money Order Number 8-9392802892 in the amount of \$100.00

made payable to MICHAEL KODOSKY, sent from Rantoul, Illinois and sent to MICHAEL KODOSKY at a rented commercial mail box, 1304 E. Algonquin Road, Number 331, Algonquin, Illinois 60102;

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

THE GRAND JURY FURTHER CHARGES:

COUNT 4

(WIRE FRAUD)

1. The Grand Jury realleges and incorporates by reference the allegations in paragraphs 1 through 38 of Count 1 and paragraphs 1 through 9 of Count 2 of this Indictment.
2. It was a further part of the scheme that CLYDE D. HOOD and others established a messaging system whereby Omega participants could call one of 17 telephone numbers accessible from various parts of the continental United States to hear a recorded message from CLYDE D. HOOD regarding the updated status of the program. CLYDE D. HOOD and BILLIE A. WILSON prepared the content of the message. CLYDE D. HOOD would then phone a telephone number in Maywood, Illinois, from his home phone or from a phone registered in the name of "Our Own Original Bakery" also located in Mattoon, Illinois, to record the message. CLYDE D. HOOD, PATRICIA HOOD and BILLIE A. WILSON then caused the message to be copied and re-recorded in all 17 other Omega update lines which had been set up at different cities and states throughout the United States.
3. The telephone registered in the name of "Our Own Original Bakery" in Mattoon, Illinois utilized Consolidated Communications as the long distance carrier. All long distance calls

made from Mattoon, Illinois through Consolidated Communications are routed through St. Louis, Missouri.

4. On or about October 12, 1998, in the Central District of Illinois and elsewhere,

**CLYDE D. HOOD,
PATRICIA HOOD,
BILLIE A. WILSON,
JERRY WILSON,
MICHAEL KODOSKY,
KAREN TILLQUIST-BAIBUS and
ARLENE F. DIAMOND**

defendants herein, for the purpose of executing said scheme did knowingly cause to be transmitted by means of transmissions in interstate commerce signals and sounds, to wit: an “update” message telling the individuals who sent money to them or other Omega contacts that “regarding the funding I told you in an earlier message I had completed wrapping up the final documentation required for the project. Since that date we have continued preparing everything in place for the funding...I still expect to be able to release to BILL WILSON to send the information to those in the database very, very soon....” This message was misleading and intended to lull the participants into believing that the defendants were fulfilling their promises and that a return on their money was forthcoming;

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

THE GRAND JURY FURTHER CHARGES:

COUNT 5

(WIRE FRAUD)

1. The Grand Jury realleges and incorporates by reference the allegations in Paragraphs 1 through 5 and Paragraphs 8 through 38 of Count 1, Paragraphs 1 through 9 of Count 2, and Paragraphs 1 through 3 of Count 4 of this Indictment.

2. On or about December 11, 1998, in the Central District of Illinois and elsewhere,

**CLYDE D. HOOD,
PATRICIA HOOD,
BILLIE A. WILSON,
JERRY WILSON,
MICHAEL KODOSKY,
KAREN TILLQUIST-BAIBUS and
ARLENE F. DIAMOND**

defendants herein, for the purpose of executing said scheme did knowingly cause to be transmitted by means of transmissions in interstate commerce signals and sounds, to wit: an “update” message falsely telling the individuals who sent money to them or other Omega contacts that “regarding the funding, I had a very successful meeting with an expert trader during the last few days. He has agreed to help us out and is getting everything geared up to get our trading underway. The target to proceed with the trading is mid to late next week. Immediately after completion, the bank can release the debit cards and cashier’s checks to our lenders.”

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

THE GRAND JURY FURTHER CHARGES:

COUNT 6

(WIRE FRAUD)

1. The Grand Jury realleges and incorporates by reference the allegations in Paragraphs 1 through 5 and Paragraphs 8 through 38 of Count 1, Paragraphs 1 through 9 of Count 2, and Paragraphs 1 through 3 of Count 4 of this Indictment.

2. On or about February 27, 1999, in the Central District of Illinois and elsewhere,

**CLYDE D. HOOD,
PATRICIA HOOD,
BILLIE A. WILSON,
JERRY WILSON,
MICHAEL KODOSKY,
KAREN TILLQUIST-BAIBUS and
ARLENE F. DIAMOND**

defendants herein, for the purpose of executing said scheme did knowingly cause to be transmitted by means of transmissions in interstate commerce signals and sounds, to wit: an “update” message falsely telling the individuals who sent money to them or other Omega contacts that “I am extremely pleased now that we are in the final approach to completing our project;”

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

THE GRAND JURY FURTHER CHARGES:

COUNT 7

(MONEY LAUNDERING CONSPIRACY)

1. The Grand Jury realleges and incorporates by reference Paragraphs 1, 2, 3, 4 and 5 of Count 1 of this Indictment.

At all times relevant to this Indictment:

2. FRANKLIN L. MYERS was a resident of Mattoon, Illinois and is currently a minister. FRANKLIN L. MYERS is a friend and associate of CLYDE D. HOOD who through the use of bank accounts, the purchase or trade of real estate, vehicles and other properties, conducted financial and/or monetary transactions with funds obtained by CLYDE D. HOOD from Omega participants.

3. STUART CHRIS ENGEL was a resident of Mattoon, Illinois. STUART CHRIS ENGEL is the owner and operator of a construction company named Engel Construction and other construction related businesses. ENGEL assisted CLYDE D. HOOD and the other conspirators by depositing and cashing checks from Omega participants, laundering proceeds, and recruiting others to do so.

4. JEFFREY SCHNIBBEN was an attorney licensed to practice in the State of Illinois who was engaged in the private practice of law in Mattoon, Illinois. In that capacity, he assisted CLYDE D. HOOD and his associates by acting as agent and arranging business incorporations and reorganizations funded or capitalized by Hood with fraudulently obtained funds from Omega participants and represented Hood and his associates in several real estate purchases. Additionally, JEFFREY SCHNIBBEN conducted financial transactions through his bank accounts by depositing fraudulently obtained Omega participants' funds into his business and personal accounts.

5. JAMES TURNER was employed as a deputy sheriff with the Coles County Sheriff's Office, or self-employed as a Process Server and Private Investigator. TURNER, at CLYDE D. HOOD's direction, assisted in laundering the fraudulently obtained proceeds from

participants of the Omega program, including the purchase of his own residence with \$155,552.78 of participants' funds through an "interest free loan" from CLYDE D. HOOD.

6. PHILLIP HASKELL was a resident of Mattoon, Illinois. PHILLIP HASKELL assisted CLYDE D. HOOD in incorporating a non-operating entity known as Our Own Original Bakery in Mattoon, Illinois. Our Own Original Bakery was funded by HOOD using moneys obtained from investors in Omega. The bank accounts of Our Own Original Bakery, Inc., were used by CLYDE D. HOOD and HASKELL to funnel the Omega participants' money to CLYDE D. HOOD and HASKELL for their own use and for other CLYDE D. HOOD business ventures. HASKELL purchased a residence with approximately \$260,000 in Omega participants' funds provided to him by CLYDE D. HOOD.

7. BRYAN BOES was a resident of Mattoon, Illinois. BRYAN BOES assisted CLYDE D. HOOD in diverting Omega investors' funds into pre-existing and new businesses. In particular, BRYAN BOES obtained Omega participants' funds from CLYDE D. HOOD to purchase a parcel of real estate at a Coles County business park for the purpose of building and operating a day care center.

8. RICHARD JONES and NANCY JONES were residents of Mattoon, Illinois. RICHARD JONES and NANCY JONES assisted CLYDE D. HOOD in conducting financial transactions with funds obtained by CLYDE D. HOOD from Omega investors by reorganizing their business and using Omega participants' funds to expand their business by buying a parcel of real estate and constructing a new building to relocate their business, Advantage Information Technologies, Inc., a computer sales, service and internet service provider in the Coles County area. RICHARD JONES and NANCY JONES used their business bank accounts to assist

CLYDE D. HOOD in concealing the Omega participants' funds by depositing into accounts moneys obtained from CLYDE D. HOOD and using those funds to pay business-related expenses and other expenses associated with other businesses controlled by CLYDE D. HOOD.

9. TOMMIE McKIBBEN was a resident of Mattoon, Illinois. McKIBBEN assisted CLYDE D. HOOD in laundering Omega participants' funds by building and operating a restaurant, The Blue Bird Diner, and Marsha's Blue Bird Bakery, at the direction of CLYDE D. HOOD and with Omega participants' funds supplied by CLYDE D. HOOD.

10. SUSAN HOEHNE was a resident of McAlester, Oklahoma. HOEHNE was the owner and operator of the Santa Fe Insurance Agency. HOEHNE is the sister of defendant STUART CHRIS ENGEL. HOEHNE used her business bank accounts to launder Omega participants' funds by depositing participants' checks into her business accounts. At the direction of her brother, STUART CHRIS ENGEL, and CLYDE D. HOOD, she then withdrew the funds by writing checks, purchasing cashier's checks, or wire transferring funds in the name of her brother and others.

11. RAYMOND MILLER was a resident of Peace Valley, Missouri. MILLER is related by marriage to FRANKLIN L. MYERS. MILLER, MYERS and CLYDE D. HOOD opened a saw mill and kiln business in Peace Valley, Missouri known as Miller Hardwood. Over a period of twelve months, RAYMOND MILLER received \$1,400,000 in cash, checks, wire transfers and cashier's checks of Omega participants' funds.

12. BARRY BULLINGTON was a resident of Mattoon, Illinois and was a real estate agent. He owned and operated Mattoon Travel Agency until October 1995. CLYDE D. HOOD made an interest free loan of \$75,000 to BULLINGTON, which BULLINGTON repaid in \$500

increments. BULLINGTON handled the majority of CLYDE D. HOOD's real estate purchases between 1996 and August 2000.

THE CONSPIRACY

13. The Grand Jury realleges and incorporates by reference Paragraphs 8 through 38 of Count 1 and Counts 2 through 6 of this Indictment.

14. From in or about January 1994 and continuing through July 2000, in Mattoon, Coles County, Illinois, within the Central District of Illinois and elsewhere, Defendants,

**CLYDE D. HOOD
PATRICIA HOOD
BILLIE A. WILSON
JERRY WILSON
MICHAEL KODOSKY
ARLENE F. DIAMOND
FRANKLIN L. MYERS
STUART CHRIS ENGEL
JEFFREY SCHNIBBEN
JAMES TURNER
PHILLIP HASKELL
BRYAN BOES
RICHARD JONES
NANCY JONES
RAYMOND MILLER
TOMMIE MCKIBBEN
SUSAN HOEHNE and
BARRY BULLINGTON**

did knowingly conspire to commit offenses against the United States, that is:

- A. knowingly conducted, attempted to conduct, and caused to be conducted at least \$12.5 million in financial transactions affecting interstate and foreign commerce, and which involved the proceeds of specified unlawful activity, that is, mail fraud, in violation of 18 U.S.C. §1341, and wire fraud, in violation of 18 U.S.C. § 1343,

while knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, and did so:

- (1) with the intent to promote the carrying on of the specified unlawful activity, in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 2; and/or
- (2) knowing that the transactions were designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of the specified unlawful activity, in violation of 18 U.S.C. §§ 1956(a)(1)(B)(i) and 2.

B. knowingly engaged or attempted to engage in a monetary transaction in criminally derived property that is of a value greater than \$10,000.00 and is derived from a specified unlawful activity in violation of Title 18, United States Code, Section 1957 and 2.

OBJECT OF THE CONSPIRACY

15. It was the object and purpose of this conspiracy for the defendants to launder the proceeds of the fraudulent scheme described in Counts 2 through 6 of this Indictment and in doing so promoting the ultimate goal of the fraudulent scheme which was to illegally convert the proceeds of the fraud to their own use and benefit and to enrich themselves at the expense of others. To do so, the defendants conducted financial transactions which were designed to promote the scheme by making it possible for them to convert the funds to their own use and doing it in such a way as to conceal and disguise the nature, location, source, ownership or control of the funds.

THE MEANS AND MANNER OF THE CONSPIRACY

The conspiracy was effectuated in many ways, including:

16. CLYDE D. HOOD and others obtained moneys, in the form of cashier's checks, money orders, personal checks (financial instruments) and cash from individuals wishing to participate in the Omega Trust & Trading Program. HOOD and others promised the participants a 50 to 1 return in approximately 275 days per \$100 "loaned" to Omega Trust and Trading. To induce "lenders" to send money to Omega Trust and Trading, "lenders" were led to believe that Omega Trust and Trading and CLYDE D. HOOD were engaged in the purchase and sale of foreign prime bank notes and debentures. The above representations were false.

17. Funds received by Omega Trust and Trading solicitors were forwarded to CLYDE D. HOOD in Mattoon, Illinois.

18. Upon receipt of the funds, CLYDE D. HOOD endorsed the financial instruments, either in his name or that of Omega Trust and Trading, or both, depending upon who was named as payee in the financial instrument. In instances where the financial instruments were made payable in the name of the solicitor, for example, MICHAEL KODOSKY, the solicitor endorsed the financial instrument and forwarded it to HOOD.

19. CLYDE D. HOOD recruited others in the Mattoon, Illinois area, in Oklahoma, California and Missouri to assist him in cashing and/or depositing the financial instruments in existing personal or business accounts or in new accounts opened for that purpose. Those accounts were in the names of third parties but were in reality controlled by HOOD.

20. CLYDE D. HOOD delivered bundles of “lenders’” financial instruments to his co-conspirators in Mattoon, Illinois and elsewhere with instructions to deposit the funds, buy cashier’s checks in specific amounts and payees, or withdraw funds in the form of currency.

21. CLYDE D. HOOD and his co-conspirators, knowing that property involved in financial transactions involved the proceeds of some form of unlawful activity, conducted or attempted to conduct such financial transactions which in fact involved the proceeds of specified unlawful activities (mail fraud and wire fraud as alleged in Count 2 through 6) with the intent to promote the carrying on of the specified unlawful activity.

22. CLYDE D. HOOD and his co-conspirators attempted to conceal and disguise the nature, location, source, ownership and control of the proceeds of the fraudulent scheme by depositing the funds in accounts in names other than Omega Trust and Trading and/or CLYDE D. HOOD, titling properties in each other’s names or in the names of businesses controlled by them, in order to create the appearance of legitimate loans and mortgages to properties, rather than by sudden and financially unjustified business expansions and extravagant personal purchases.

23. CLYDE D. HOOD and his co-conspirators conducted, engaged or attempted to engage in monetary transactions in criminally derived property that was of a value greater than \$10,000 and that was derived from a specified unlawful activity.

OVERT ACTS

24. On or about May 23, 1994, CLYDE D. HOOD and BILLIE A. WILSON entered into an agreement whereby BILLIE A. WILSON agreed to act as a consultant and manager of Omega Trust & Trading.

25. On or about January 10, 1994, CLYDE D. HOOD and JERRY WILSON entered into an agreement for services whereby JERRY WILSON agreed to act as a “computer consultant” for Omega Trust and Trading.

26. MICHAEL KODOSKY, as a solicitor for Omega Trust and Trading, received at least \$487,679.00 of Omega participants’ checks, cashier’s checks and/or money orders, which he endorsed and caused to be forwarded and delivered to CLYDE D. HOOD in Mattoon, Illinois. For example, on or about February 19, 1999, J.E. caused a cashier’s check made payable to Omega Trading and Trust in the amount of \$5,000.00 to be delivered to MICHAEL KODOSKY. Upon receipt of the check, MICHAEL KODOSKY endorsed the check and transferred it to CLYDE D. HOOD, who endorsed it and transferred it to STUART CHRIS ENGEL who attempted to deposit it in ENGEL’s account at State Bank of Farina in Farina, Illinois.

27. As part of the conspiracy to launder the proceeds of his fraudulent scheme, CLYDE D. HOOD and others caused Omega participants’ funds to be deposited into various accounts as follows:

a. From February 17, 1994 to August 10, 1998, CLYDE D. HOOD and PATRICIA HOOD caused a total of \$183,885.00 to be deposited in Account No. 01-2915-0 in the name of CLYDE D. HOOD and PATRICIA HOOD at First National Bank of Lerna, in Lerna, Illinois.

b. From April 19, 1994 to January 21, 1995, CLYDE D. HOOD and FRANKLIN L. MYERS caused a total of \$131,700.00 to be deposited in Account No. 61-354-0 in the name of FRANKLIN L. MYERS at 1st Mid-Illinois Bank & Trust in Mattoon, Illinois.

c. From April 25, 1994 to November 4, 1994, CLYDE D. HOOD and BILLIE A. WILSON caused a total of \$52,950.00 to be deposited in Account No. 6030742-05 in the name of D.W. at Charter Bank & Trust, NA in Hoffman Estates, Illinois.

d. From July 1, 1994 to November 10, 1994, CLYDE D. HOOD and D.H. caused a total of \$17,600.00 to be deposited in Account No. 3465094510 in the name of D.H. at Affinity Federal Credit Union in Bedminster, New Jersey.

e. From April 17, 1995 to December 31, 1996, CLYDE D. HOOD and FRANKLIN L. MYERS caused a total of \$3,839,716.52 to be deposited in Account No. 109223 in the names of CLYDE D. HOOD and FRANKLIN L. MYERS at Community First Credit Union in Mattoon, Illinois.

f. From June 15, 1995 to June 12, 1997, CLYDE D. HOOD, BILLIE A. WILSON and JERRY WILSON caused a total of \$755,945.88 to be deposited in Account No. 52-1014017-3 in the name of JERRY WILSON at First of America Bank in Rockford, Illinois.

g. From October 21, 1996 to January 13, 1998, CLYDE D. HOOD and S.S. caused a total of \$255,700.00 to be deposited in Account No. 034-035451 in the name of S.S., at Bank of the West in Capitola, California.

h. From October 21, 1996 to January 21, 1999, CLYDE D. HOOD and STUART CHRIS ENGEL caused a total of \$812,522.02 to be deposited in Account No. 1026699 in the name of STUART CHRIS ENGEL at State Bank of Farina in Farina, Illinois.

i. On or about November 26, 1996, CLYDE D. HOOD and W.R. caused a total of \$28,500.00 to be deposited in Account No. 1093-430064 in the names of W.R. and D.R., at Wells Fargo Bank in San Francisco, California.

j. On December 3, 1996, CLYDE D. HOOD and PATRICIA HOOD caused a total of \$1,400.00 to be deposited in Account No. 5511642 in the name of PATRICIA HOOD at 1st Mid-Illinois Bank & Trust in Mattoon, Illinois.

k. From December 13, 1996 to August 4, 1998, CLYDE D. HOOD and M.M. caused a total of \$677,475.00 to be deposited in Account No. 9800461551 in the name of M.M., at Comerica Bank in Capitola, California.

l. From February 10, 1998 to January 18, 2000, CLYDE D. HOOD and ARLENE F. DIAMOND caused a total of \$50,610.00 to be deposited in Account No. 04310-13728 in the name of New Hope Trust at Bank of America in Rancho Cordova, California.

m. From April 13, 1998 to July 17, 1998, CLYDE D. HOOD and STUART CHRIS ENGEL caused a total of \$315,300.00 to be deposited in Account No. 7104650 in the name of Engel Construction at Central National Bank in Mattoon, Illinois.

n. From July 1, 1998 to March 8, 1999, CLYDE D. HOOD and STUART CHRIS ENGEL caused a total of \$1,317,220.00 to be deposited in Account No. 5009405 in the names of STUART CHRIS ENGEL and his wife at State Bank of Farina in Farina, Illinois.

o. From July 15, 1998 to December 30, 1999, CLYDE D. HOOD and STUART CHRIS ENGEL caused a total of \$56,300.00 to be deposited in Account No.

309053389 in the names of Chris Engel and his wife at 1st Mid Illinois Bank & Trust in Mattoon, Illinois.

p. On or about December 17, 1998, CLYDE D. HOOD and RAYMOND MILLER caused a total of \$83,300.00 to be deposited in Account No. 50002325 in the names of RAYMOND MILLER and Miller Hardwood at Community 1st National Bank in West Plains, Missouri.

q. From March 24, 1999 to September 23, 1999, CLYDE D. HOOD and STUART CHRIS ENGEL caused a total of \$194,445.00 to be deposited in Account No. 05-00014884 in the name of STUART CHRIS ENGEL at Community Bank & Trust in Olney, Illinois.

r. From March 29, 1999 to September 27, 1999, CLYDE D. HOOD, STUART CHRIS ENGEL and SUSAN HOEHNE caused a total of \$1,564,559.02 to be deposited in Account No. 106-977-2 in the name of Santa Fe Agency, Inc., at First National Bank & Trust in McAlester, Oklahoma.

s. From April 15, 1999 to January 6, 2000, CLYDE D. HOOD and STUART CHRIS ENGEL caused a total of \$477,689.45 to be deposited in Account No. 01-20093847 in the name of Engel Construction, Inc., at Community Bank & Trust in Olney, Illinois.

t. From May 7, 1999 to July 8, 1999, CLYDE D. HOOD and A.R. caused a total of \$121,300.00 to be deposited in Account No. 71-57-737605 in the name of A.R., at Monterey Bay Bank in Watsonville, California.

u. From June 23, 1999 to January 26, 2000, CLYDE D. HOOD and STUART CHRIS ENGEL caused a total of \$827,054.50 to be deposited in Account No. 311 430 7693 in the name of STUART CHRIS ENGEL at Union Planters Bank in Chesterfield, Missouri.

28. The defendants CLYDE D. HOOD, PHILLIP HASKELL, SUSAN HOEHNE, STUART CHRIS ENGEL, TOMMIE McKIBBEN, JEFFREY SCHNIBBEN and JAMES TURNER engaged in a series of financial transactions involving the proceeds of the fraudulent scheme by the acquisition of real property and the purchase of a prefabricated modular building from Starlite Manufacturing, Inc. in the amount of \$483,680 and preparation of the grounds, installation and other related construction of a restaurant known as the Blue Bird Dinner located at 3300 Marshall Ave., Mattoon, Illinois including the following:

a. On or about February 15, 1999, TOMMIE McKIBBEN paid J.B. & D.B. of Mattoon, Illinois \$15,000 in cash as part of the re-acquisition of the real estate located at 3300 Marshall Ave. Mattoon, Illinois.

b. On August 20, 1998, PHILLIP HASKELL caused an official check from A.M. of California drawn at Comerica Bank in the amount of \$304,525.00, and made payable to "R Own Original Bakery, Inc.," to be deposited in an account he controlled at The Bank, Mattoon, Illinois in the name of Our Own Original Bakery, which cashier's check was purchased with funds derived from the fraudulent scheme. PHILLIP HASKELL was listed as the president and sole owner of Our Own Original Bakery, Inc., which had no known business activities.

c. On August 21, 1998, PHILLIP HASKELL again caused an official check in the amount of \$112,000.00 payable to Our Own Original Bakery, Inc., and drawn at the Monterey Bay Bank, California, to be deposited in the account of Our Own Original Bakery, Inc., at The Bank in Mattoon, Illinois.

d. On November 19, 1998, CLYDE D. HOOD and PHILLIP HASKELL caused a cashier's check in the amount of \$10,000 .00 to be purchased and made payable to "Starlight" Diners, Incorporated as partial payment for the prefabricated modular building which houses the Blue Bird Diner. This cashier's check was purchased with a check written on the account of Our Own Original Bakery, Inc.

e. On January 8, 1999 and March 15, 1999, PHILLIP HASKELL caused two wire transfers in the amounts of \$80,095.00 and \$151,745.00 to be made from the account of Our Own Original Bakery, Inc., to the account of Starlite Manufacturing, Inc., as partial payment for the prefabricated modular building which housed the Blue Bird Diner.

f. On April 7, 1999, SUSAN HOEHNE, at the direction of CLYDE D. HOOD and STUART CHRIS ENGEL, caused a cashier's check in the amount of \$120,000 and made payable Starlite Diners, Inc. to be purchased at the First National Bank & Trust, McAlester, Oklahoma and showing as payee KL&M, Inc. LTD., as partial payment for the building.

g. On or about March 14, 2000, TOMMIE McKIBBEN, through his attorney, JEFFREY SCHNIBBEN, filed incorporation papers for the Blue Bird Diner, Inc., with the Secretary of State of Illinois, which papers listed TOMMIE GENE McKIBBEN as an incorporator and president of the corporation.

h. On or about May 3, 1999, JAMES TURNER hand delivered to the offices of Starlite Manufacturing, Inc., in Ormond Beach, Florida, \$120,920.00 in cash (all in twenty dollar bills) as final payment for the prefabricated modular building which houses the Blue Bird Diner.

29. Defendants, CLYDE D. HOOD, PHILLIP HASKELL, STUART CHRIS ENGEL, BARRY BULLINGTON and JEFFREY SCHNIBBEN conducted a series of financial transactions with the proceeds of the fraudulent scheme for the purchase of a parcel of real estate located at 1717 Lakeland Blvd., Mattoon, Illinois, including the following:

a. On May 2, 1998, BARRY BULLINGTON, a real estate agent in Mattoon, Illinois, caused a contract for the purchase of the real estate at 1717 Lakeland Blvd., Mattoon, Illinois for the sum of \$200,000.00 to be signed by PHILLIP HASKELL, as director of PC, Inc. Changes and amendments to the contract, however, were initialed by CLYDE D. HOOD.

b. On May 26, 1998, a cashier's check in the amount of \$148,500.00 showing as remitter CLYDE D. HOOD and payable to the order of Century 21 Escrow account was purchased by STUART CHRIS ENGEL at the State Bank of Farina with Omega participants' checks.

c. On May 27, 1998, a cashier's check in the amount of \$66,500.00 showing as remitter CLYDE D. HOOD and payable to the order of Century 21 Escrow account was purchased by STUART CHRIS ENGEL at the State Bank of Farina with Omega participants' checks.

d. On June 3, 1998, PHILLIP HASKELL through his attorney, JEFFREY SCHNIBBEN, caused incorporation papers in the name of Our Own Original Bakery, Inc. to be filed with the Illinois Secretary of State Office, which documents listed PHILLIP HASKELL as the sole incorporator and officer of Our Own Original Bakery, Inc.

e. On or about June 17, 1998, BARRY BULLINGTON, at the real estate closing for the purchase of this property, caused a payment in the amount of \$197,800.38 to be made to the sellers of the real estate. At the direction of CLYDE D. HOOD, title to the property was conveyed in the name of Our Own Original Bakery, Inc.

f. On June 18, 1998, BARRY BULLINGTON, at the direction of CLYDE D. HOOD, caused a check in the amount of \$8,780.00 from the Century 21 Escrow account to be made payable to CLYDE D. HOOD as an overpayment for the purchase of this property.

30. The defendants CLYDE D. HOOD, STUART CHRIS ENGEL, RICHARD JONES, NANCY JONES and JEFFREY SCHNIBBEN conducted a series of financial transactions with the proceeds of the fraudulent scheme for the purchase of a parcel of real estate and the construction of a building to house the offices and business of Advantage Information Technologies, Inc., a corporation owned by Auctions Buy Us, Inc., as follows:

a. On or about November 5, 1997, CLYDE D. HOOD, RICHARD JONES and NANCY JONES caused the incorporation in the State of Illinois of a business entity known as Auctions Buy Us, Inc., an internet on-line auction service.

b. From January 15 to January 31, 1998, STUART CHRIS ENGEL deposited \$40,000.00 of investors funds into his Account Number 5009405 at the State Bank of Farina in Farina, Illinois.

c. On February 2, 1998, STUART CHRIS ENGEL purchased four cashier's checks in the amount of \$7,500 each from the State Bank of Farina by withdrawing \$24,005.00 from account 5009405 at said bank and an additional \$6,000.00 in cash.

d. On February 3, 1998, STUART CHRIS ENGEL purchased three cashier's checks at the State Bank of Farina in the amounts of \$7,500, \$7,500 and \$5,000 by withdrawing \$15,995.00 from his account number 5009405 at said Bank plus an additional \$4,000.00 in cash. He also transferred \$8.75 from his own checking account to pay for the cost of the cashier's checks.

e. On or about February 3, 1998, RICHARD JONES and NANCY JONES caused three cashier's checks purchased by STUART CHRIS ENGEL at the Bank of Farina on the same day totaling \$20,000 (see Sub-paragraph d above) to be deposited into the Auctions Buy Us account at The Bank, Mattoon, Illinois.

f. On or about February 5, 1998, RICHARD JONES and NANCY JONES caused four cashier's checks to be deposited in two separate transactions, into their Auctions Buy Us account at The Bank in Mattoon Illinois. These four checks totaling \$30,000.00 were the same checks purchased by STUART CHRIS ENGEL on February 2, 1998 at the State Bank of Farina. (See Sub-paragraph c above)

g. On February 5, 1998, NANCY JONES caused the purchase of a cashier's check number 2233 from The Bank in the amount of \$54,917.59 payable to Coles

Together, an industrial park located in Charleston, Illinois, for the purchase of Lot 5 at Coles Business Park, which was titled in the name of Auctions Buy Us. The cashier's check was purchased by a withdrawal in the amount of the check from the Auctions Buy Us account at The Bank.

h. On a date unknown to the Grand Jury, CLYDE D. HOOD, RICHARD JONES and NANCY JONES contracted STUART CHRIS ENGEL and his construction companies to build an office building at Lot 5 Coles Business Park. STUART CHRIS ENGEL was paid in excess of \$400,000.00 by CLYDE D. HOOD in cash and investors' checks for the construction of the building.

31. The defendants CLYDE D. HOOD and RICHARD JONES engaged in a series of financial transactions with the proceeds of the fraudulent scheme for the purpose of purchasing two parcels of real estate, including the following:

a. On or about September 29, 1998, CLYDE D. HOOD, through two associates of his in California, A.M. and S.S. caused the deposit of \$154,500.00 representing investors' funds into bank account 034-035451 in the name of S. S. at the Bank of the West, Capitola, California.

b. On October 2, 1998, S.S. purchased cashier's check number 0340627012 payable to Coles Together Company in the amount of \$96,000.00 from the Bank of the West, Capitola, California by writing a check from his Account Number 034-035451 at the Bank of West to the Bank of the West.

c. On or about November 2, 1998, RICHARD JONES tendered the cashier's check to Coles Together Corporation for the purchase of Lots 3 and 4 of the Coles

Business Park on behalf of Auctions Buy Us, Inc., the contract purchaser. At closing, CLYDE D. HOOD and RICHARD JONES caused the title to Lots 3 and 4 to be conveyed in the name of Auctions Buy Us.

32. The defendants CLYDE D. HOOD, STUART CHRIS ENGEL, FRANKLIN L. MYERS, JAMES TURNER and PATRICIA HOOD conducted a series of financial transactions involving the proceeds of the fraudulent scheme for the purchase of a parcel of real estate located at 3120 Marshall, Mattoon, Illinois (formerly Icenogle Grocery Store) and 2913 Walnut, Mattoon, Illinois, including the following:

a. On October 17, 1996, STUART CHRIS ENGEL purchased a parcel of real estate at 3120 Marshall, Mattoon, Illinois for \$40,000.00. At closing, STUART CHRIS ENGEL presented Check No. 2809 drawn on his Engel Construction account 1026699 at the State Bank of Farina in the amount of \$38,188.07. The memo section of the check reflects “3120 Marshall”.

b. At closing, the property was conveyed in the name of STUART CHRIS ENGEL and his wife.

c. On November 7, 1996, Engel transferred title to the property to “Victory Assembly and Revival Center, a religious organization/Frank L. Myers”.

d. On January 5, 1997, CLYDE D. HOOD caused nine official drafts from the Standard Charter Bank of Dubai in the United Arab Emirates to be issued from an account he shared with W.R. Those 9 drafts totaling \$81,000 were made payable to W.R. and were deposited into an account JAMES TURNER and his wife opened at the Central National

Bank, Mattoon, Illinois. The drafts were purportedly endorsed by W.R. and JAMES TURNER. The W.R. endorsement on the drafts is a forgery.

e. On March 10, 1997, JAMES TURNER signed a promissory note and mortgage secured by the property at 2913 Walnut and held by PATRICIA HOOD agreeing to pay the sum of \$96,000. The loan was interest free and payable at \$800.00 each month.

f. On August 15, 1997, FRANKLIN L. MYERS and L.M., acting as designees of Victory Assembly, transferred title of the property located at 3120 Marshall to CLYDE D. HOOD.

g. On September 29, 1997, CLYDE D. HOOD conveyed title to the property at 3120 Marshall to JAMES TURNER.

h. On that same day, JAMES TURNER signed an interest free promissory note in the amount of \$146,000, agreeing to pay CLYDE D. HOOD the sum of \$1,300.00 per month.

33. On or about May 10, 1996, CLYDE D. HOOD and PATRICIA HOOD made an interest free loan in the amount of \$246,000 to D.S. and P.S. for the purchase of residential real estate located at 22 St. Andrews Place, Mattoon, Illinois. The loan was secured by a mortgage to the property held by PATRICIA HOOD. The loan funds came in part (\$196,000) from two checks drawn by CLYDE D. HOOD from the Community First account he held jointly with FRANKLIN L. MYERS, and which held Omega participants' funds.

34. On or about June 5, 1996, CLYDE D. HOOD and PATRICIA HOOD loaned \$77,000.00 of Omega participants' funds to CLYDE D. HOOD's niece, K.B., and her husband, C.B., for the refinancing of their residence at 1117 South 15th, Mattoon, Illinois, by transferring

\$68,200 from the account held jointly by CLYDE D. HOOD and FRANKLIN L. MYERS at the Community First Credit Union to an account in the same institution and delivering the balance in cash to the K.B. and C.B. Said loan was secured by a mortgage on the property held by PATRICIA HOOD. The loan was interest free and was to be paid in monthly installments of \$500.00

35. On June 14, 1996, CLYDE D. HOOD caused the transfer of \$116,000 in Omega participants' funds from his account held jointly with FRANKLIN L. MYERS at the Community First Credit Union to the account of D.C., a relative, as a loan for the purpose of paying off a construction loan for residential real estate located at 1508 Broadmoor, in Augusta Lake Subdivision in Mattoon, Illinois.

36. The defendants CLYDE D. HOOD, BRYAN BOES, RICHARD JONES, NANCY JONES and JEFFREY SCHNIBBEN conducted a series of financial transactions for the purchase of real estate and construction of a building at 681 Development Drive, Charleston, Illinois, including the following financial transactions:

a. On or about October 26, 1998, using Omega participants' funds, NANCY JONES issued check number 1043 on Auctions Buy Us Account number 02 987 4, at The Bank, Charleston, Illinois in the amount of \$42,367.00 payable to JEFFREY SCHNIBBEN. The memorandum portion of the check indicates "Lot #15." NANCY JONES indicated in the Auctions Buy Us check registry pertaining to this check "For Clyde."

b. On or about October 27, 1998, JEFFREY SCHNIBBEN deposited the Auctions Buy Us check into his law firm client Trust Account No. 7103603 at the Central National Bank, Mattoon, Illinois

c. On or about November 10, 1998, JEFFREY SCHNIBBEN attended the closing for the purchase of Lot 15, Coles Together Industrial Park on behalf of BRYAN BOES and his wife, who were purchasing that parcel of real estate. During the closing, SCHNIBBEN presented check number 1058 drawn on his trust account at the Central National Bank, Mattoon, Illinois in the amount of \$42,306.53 payable to Coles Together as full payment for Lot 15, Coles Together Industrial Park which has a street address of 681 Development Drive, Charleston, Illinois.

d. Defendants JEFFREY SCHNIBBEN, and BRYAN BOES caused title to the parcel of real estate located at 681 Development Drive, Charleston to be conveyed to BRYAN BOES and his wife.

e. BRYAN BOES and his wife applied for and obtained a construction loan from the First National Bank in Mattoon, Illinois in the principal amount of \$230,030.00 for the construction of a building on Lot 15 to be used as a day care center, secured in part by Lot 15 on which there was no recorded encumbrances. In their application for this loan, BRYAN BOES falsely asserted that the source of the funds used to purchase the real estate was "personal savings and investments from relatives."

37. The defendants CLYDE HOOD, FRANK MEYERS, STUART CHRIS ENGEL, PHILLIP HASKELL, ARLENE F. DIAMOND and RAYMOND MILLER conducted a series of financial transactions with the proceeds of the fraudulent scheme for the purpose of building and

operating a sawmill and kiln in Peace Valley, Missouri known as “Miller Hardwood,” including the following transactions:

- a. On or about November 30, 1998, CLYDE D. HOOD and PHILLIP HASKELL caused the purchase of cashier’s check number 3367 in the amount of \$175,000.00, made payable to RAYMOND MILLER from The Bank, Mattoon, Illinois.
- b. On or about December 1, 1998, RAYMOND MILLER opened account number 50002325 at Community First National Bank in West Plains, Missouri in the name of Miller Hardwood. On December 1, 1998, RAYMOND MILLER endorsed the above check and deposited it into the Miller Hardwood account.
- c. On or about December 10, 1998, CLYDE D. HOOD and STUART CHRIS ENGEL caused the purchase of cashier’s check number 8102 at the State Bank of Farina, Farina, Illinois, in the amount of \$150,000.00 and made payable to Miller Hardwood, which showed CLYDE D. HOOD as the remitter. RAYMOND MILLER endorsed the check and on December 11, 1998, he deposited it in the Miller Hardwood account.
- d. On or about December 9 to 11, 1998, CLYDE D. HOOD and ARLENE F. DIAMOND caused the purchase of 12 official checks at the Bank of America, Los Angeles, California, eleven in the amount of \$9,000.00, and one in the amount of \$30,000.00, for a total of \$129,000.00, and each made payable to CLYDE D. HOOD. On or about December 17, 1998, CLYDE D. HOOD endorsed those checks and forwarded them to RAYMOND MILLER who endorsed them and deposited them on that same date in the Miller Hardwood account.

e. On or about December 14, 1998, CLYDE D. HOOD and STUART CHRIS ENGEL caused the purchase of cashier's check No. 8119 at the State Bank of Farina, Farina, Illinois, in the amount of \$225,000.00 and made payable to Miller Hardwood, which showed CLYDE D. HOOD as the remitter. RAYMOND MILLER endorsed the check and deposited it in the Miller Hardwood account on December 17, 1998.

f. In January, 1999, RAYMOND MILLER purchased two parcels of real estate located in Ava, Missouri and Willow Springs, Missouri respectively with the intent to harvest the timber located thereon by issuing four checks from Miller Hardwood's account at Community First National Bank, West Plains, Missouri to the seller in the following amounts: check number 1021 in the amount of \$5,000.00, check number 1042 in the amount of \$65,200.00, check number 1072 in the amount of \$500.00 and check number 1073 in the amount of \$140,000.00.

g. On or about February 8, 1999, RAYMOND MILLER issued check number 1082 on the account of Miller Hardwood at the Community First National Bank, West Plains, Missouri for \$54,410 payable to Woodland for two sawmills.

h. On or about June 10, 1999, CLYDE D. HOOD caused the wire transfer of \$39,975.00 from Account No. #358-208-867-8001, which he held jointly with W.R., at the Standard Charter Bank of Dubai, United Arab Emirates, into the account of Miller Hardwood at the Community First National Bank, West Plains, Missouri.

i. On or about July 27, 1999, CLYDE D. HOOD caused the wire transfer of \$99,975.00 from account #358-208-867-8001, which he held jointly with W.R., at the

Standard Charter Bank of Dubai, United Arab Emirates, into the account of Miller Hardwood at the Community First National Bank, West Plains, Missouri.

j. In or about August, 1999, CLYDE D. HOOD, FRANKLIN L. MYERS and RAYMOND MILLER executed a document purported to be an agreement between CLYDE D. HOOD and FRANKLIN L. MYERS, as directors of Miller Hardwood, and RAYMOND MILLER as president of Miller Hardwood, setting forth their interest in the business and the profit sharing percentages among themselves. In addition the document identified CLYDE D. HOOD as a lender of funds to Miller Hardwood and indicated that as of August 23, 1999, he had loaned to RAYMOND MILLER and Miller Hardwood the sum of \$1,144,177.00.

k. On or about October 14, 1999, CLYDE D. HOOD and ARLENE F. DIAMOND caused the purchase of an Official Check from the Bank of America, Los Angeles, in the amount of \$30,000.00, and made payable to CLYDE D. HOOD. On or about October 18, 1999, CLYDE D. HOOD endorsed the check and forwarded it to RAYMOND MILLER who caused it to be deposited in the Miller Hardwood account at Community First National Bank of West Plains, Missouri.

38. The defendants CLYDE D. HOOD, JAMES TURNER, STUART CHRIS ENGEL, and other individuals conducted a series of financial transactions with the proceeds of the fraudulent scheme for the purchase of residential real estate for JAMES TURNER at 3900 Western Avenue, Mattoon, Illinois, including the following:

a. On or about February 9, 1999, STUART CHRIS ENGEL and CLYDE D. HOOD caused the purchase of cashier's check number 8251 in the amount of \$155,552.78

at the State Bank of Farina, in Farina, Illinois with Omega participants' funds, and made payable to an escrow account and showing as remitter Advantage Tech.

b. On or about February 10, 1999, at the closing, JAMES TURNER tendered that check as payment for the purchase of residential real estate located at 3900 Western Ave., Mattoon, Illinois and caused title to the property to be conveyed in the name of JAMES TURNER and his wife.

39. The defendants, CLYDE D. HOOD, PHILLIP HASKELL, STUART CHRIS ENGEL, SUSAN HOEHNE, JEFFREY SCHNIBBEN and BARRY BULLINGTON, conducted a series of financial transactions with the proceeds of the fraudulent scheme for the purchase of residential real estate for PHILLIP HASKELL located at 12700 North County Road 350 E., Mattoon, Illinois, including the following:

a. On a date unknown to the Grand Jury, SUSAN HOEHNE, at the direction of CLYDE D. HOOD and STUART CHRIST ENGEL, caused a check to be drawn on the account of Santa Fe Agency, Inc. Premium Holding Account, account number 1069792 to be issued at the First National Bank and Trust Company, McAlester, Oklahoma, in the amount of \$250,000.00 payable to STUART CHRIS ENGEL. The check shows a date of April 14, 1999.

b. On or about April 14, 1999, STUART CHRIS ENGEL caused that check to be deposited to his account at Community Bank and Trust, Olney, Illinois.

c. On or about April 16, 1999, STUART CHRIS ENGEL, at the direction of CLYDE D. HOOD, PHILLIP HASKELL and BARRY BULLINGTON, purchased nine cashier's checks from the Community Bank and Trust, Olney Illinois, showing as remitter

KL&M Inc. Ltd., for the purpose of finalizing the purchase of the property and causing title to be conveyed to PHILLIP HASKELL, including the following:

- (1) Cashier's check number 50284 in the amount \$105,453.35 payable to the sellers;
- (2) Cashier's check number 52087 in the amount of \$15,600 payable to the real estate agency;
- (3) Cashier's checks 52091 and 52092 in the amounts of \$20,332.51 and \$99,370.19 respectively and payable to First Mid-Illinois Bank and Trust.

d. On or about April 16, 1999, PHILLIP HASKELL caused title to the property to be conveyed in his name.

40. The defendants, CLYDE D. HOOD and STUART CHRIS ENGEL, conducted financial transactions with the proceeds of the fraudulent scheme for the purpose of purchasing a parcel of real estate located at 193 County Road 1000 North, Neoga, Illinois, including the following:

a. On or about August 16, 1999, STUART CHRIS ENGEL issued check 4106 in the amount of \$114,000.00 made payable to M.G., and which was drawn on Account No. 012009384702 in the name of Engel Construction, Inc., at the Community Bank and Trust in Olney, Illinois;

b. On or about August 26, 1999, M.G. endorsed the check and caused it to be deposited in an account at The Bank, Charleston, Illinois. On or about September 8, 1999 he used \$113,152.88 of the money to purchase the real property located at 193 County Road 1000 North, Neoga, Illinois and had the property conveyed in his own name.

41. On or about February 8, 1999, CLYDE D. HOOD, JEFFREY SCHNIBBEN and BRYAN BOES caused check #1074 to be written on SCHNIBBEN's law office trust account number 7103603 at the Central National Bank in Mattoon, Illinois in the amount of \$25,000.00 and payable to Jimmy Johns Franchise, Inc., for franchise fees for a business known as Subs, Inc., D/B/A Jimmy John's Sandwich Shop.

42. On or about October 26, 1998, CLYDE D. HOOD, RICHARD JONES and NANCY JONES caused cashier's check #1330651 to be purchased at the Heartland Savings Bank in Mattoon, Illinois, in the amount of \$78,044.55, payable to Douglas County Bank Trust, to pay off the outstanding balance on the residential mortgage of RICHARD JONES and NANCY JONES for property located at 16 Greenbriar, Mattoon, Illinois.

43. On or about January 5, 2000, CLYDE D. HOOD and STUART CHRIS ENGEL caused the wire transfer of \$55,000.00 from STUART CHRIS ENGEL's account at the First Mid-Illinois Bank and Trust in Mattoon, Illinois into the account of Chris and Nancy Engel at the Union Planters Bank in Chesterfield, Missouri

44. On or about June 29, 1999, CLYDE D. HOOD, SUSAN HOEHNE, FRANKLIN L. MYERS and STUART CHRIS ENGEL caused a cashier's check in the amount of \$42,000.00 from the First National Bank & Trust in McAlester, Oklahoma, to be purchased by SUSAN HOEHNE and transferred to CLYDE D. HOOD, STUART CHRIS ENGEL and FRANKLIN L. MYERS in Mattoon, Illinois, and which FRANKLIN L. MYERS delivered to GL and NL in Charleston, Illinois as the proceeds of a loan.

45. On or about August 3, 1998, CLYDE D. HOOD and MICHAEL KODOSKY caused the endorsement of a check in the amount of \$15,500.00 drawn on the Royal Bank of

Canada and made payable to the order of MICHAEL T. KODOSKY, which CLYDE D. HOOD forwarded from Mattoon, Illinois, to AM in California for deposit at Comerica Bank in California.

All in violation of Title 18, United States Code, Section 1956(h).

THE GRAND JURY FURTHER CHARGES

COUNT 8

(CONDUCTING MONETARY TRANSACTIONS WITH THE PROCEEDS OF ILLEGAL ACTIVITY)

On or about February 8, 1999, CLYDE D. HOOD, JEFFREY SCHNIBBEN and BRYAN BOES knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused check #1074 to be written on SCHNIBBEN's law office trust account number 7103603 at the Central National Bank in Mattoon, Illinois in the amount of \$25,000.00 and payable to Jimmy Johns Franchise, Inc., for franchise fees for a business known as Subs, Inc., D/B/A Jimmy John's Sandwich Shop, which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Counts 2 through 6 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 9

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about June 5, 1996, CLYDE D. HOOD and PATRICIA HOOD knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they loaned \$77,000.00 of Omega participants' funds to CLYDE D. HOOD's niece, K.B., and her husband, C.B., for the refinancing of their residence located at 1117 South 15th, Mattoon, Illinois by transferring \$68,200 from the account held jointly by CLYDE D. HOOD and FRANKLIN L. MYERS at the Community First Credit Union in Mattoon, Illinois, to the account of K.B. and C.B., in the same institution and delivering the balance in cash to K.B. and C.B., which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Counts 2 through 6 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES

COUNT 10

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about June 17, 1998, CLYDE D. HOOD and BARRY BULLINGTON knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused a payment in the

amount of \$197,800.38 to be made to the sellers of real estate located at 1717 Lakeland, Mattoon, Illinois, and further caused title to the property to be conveyed in the name of Our Own Original Bakery, Inc., which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Counts 2 through 6 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 11

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about October 26, 1998, CLYDE D. HOOD, RICHARD JONES and NANCY JONES knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused cashier's check #1330651 to be purchased at the Heartland Savings Bank in Mattoon, Illinois, in the amount of \$78,044.55, payable to Douglas County Bank Trust, to pay off the outstanding balance on the residential mortgage of RICHARD JONES and NANCY JONES for property located at 16 Greenbriar, Mattoon, Illinois, which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Count 2 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 12

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about June 14, 1996, CLYDE D. HOOD and FRANKLIN L. MYERS knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused the transfer of \$116,000 from an account held jointly by CLYDE D. HOOD and FRANKLIN L. MYERS at the Community First Credit Union to the account of D.C., a relative, at the same financial institution, which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. § 1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Count 2 through 6 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 13

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about January 15, 1997, CLYDE D. HOOD and JAMES TURNER knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused the deposit of nine official drafts totaling \$81,000.00 from the Standard Charter Bank, Dubai Branch, in the United Arab Emirates, drawn on the joint account of CLYDE D. HOOD and W.R., and made payable to W.R., to open a personal checking account Number 7224702 at the Central National Bank of

Mattoon, Illinois, in the names of JAMES TURNER and his wife, which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Counts 2 through 6 of this Indictment

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

HE GRAND JURY FURTHER CHARGES:

COUNT 14

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about February 15, 1997, CLYDE D. HOOD and TOMMIE McKIBBEN knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused the payment of \$15,000.00 to J.B. and D.B. of Mattoon, Illinois as part of the re-acquisition of the real estate at 3300 Marshall Avenue, Mattoon, Illinois, which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Counts 2 through 6 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 15

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about January 5, 2000, CLYDE D. HOOD and STUART CHRIS ENGEL knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity financial transaction which affected interstate commerce in that they caused the wire transfer of \$55,000.00 from STUART CHRIS ENGEL's account at the First Mid-Illinois Bank and Trust in Mattoon, Illinois into the account of STUART CHRIS ENGEL and his wife at the Union Planters Bank in Chesterfield, Missouri, which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Counts 2 through 6 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 16

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about March 15, 1999, CLYDE D. HOOD and PHILLIP HASKELL knowingly conducted a a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused the wire transfer of \$151,745.00 from the Our Own Original Bakery, Inc. at The Bank in Mattoon, Illinois to the

account of Starlite Manufacturing, Inc. at Fleet National Bank, Boston, Massachusetts, which involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. § 1343 as more fully described in Count 1 of this Indictment

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 17

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about June 29, 1999, CLYDE D. HOOD, SUSAN HOEHNE, FRANKLIN L. MYERS and STUART CHRIS ENGEL knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused a cashier's check in the amount of \$42,000.00 from the First National Bank & Trust in McAlester, Oklahoma, to be purchased by SUSAN HOEHNE and transferred to CLYDE D. HOOD, STUART CHRIS ENGEL and FRANKLIN L. MYERS in Mattoon, Illinois, and which FRANKLIN L. MYERS delivered to G.L. and N.L. in Charleston, Illinois as the proceeds of a loan, which transaction involved the proceeds of a specified unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. §1343 as more fully described in Counts 2 through 6 of this Indictment.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 18

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about October 18, 1999, in Mattoon, Illinois, CLYDE D. HOOD, ARLENE DIAMOND and RAYMOND MILLER knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that CLYDE D. HOOD endorsed an official check from the Bank of America, Los Angeles, in the amount of \$30,000.00 and which was purchased by ARLENE F. DIAMOND and caused it to be delivered to RAYMOND MILLER who caused it to be deposited in the Miller Hardwood account at Community First National Bank of West Plains, Missouri, which transaction involved the proceeds of an unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. §1343.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 19

**(CONDUCTING MONETARY TRANSACTIONS WITH
THE PROCEEDS OF ILLEGAL ACTIVITY)**

On or about August 3, 1998, CLYDE D. HOOD and MICHAEL KODOSKY knowingly conducted a monetary transaction in criminally derived property that is of a value greater than \$10,000 and is derived from a specified unlawful activity in that they caused the endorsement of a check in the amount of \$15,500.00 drawn on the Royal Bank of Canada and made payable to the

order of MICHAEL T. KODOSKY, which CLYDE D. HOOD forwarded from Mattoon, Illinois, to AM in California for deposit at Comerica Bank in California, which transaction involved the proceeds of an unlawful activity, that is, mail fraud in violation of 18 U.S.C. §1341 and wire fraud in violation of 18 U.S.C. §1343.

All in violation of Title 18, United States Code, Section 1957(a) and Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 20

(STRUCTURING OF A MONETARY TRANSACTION)

On or about August 31, September 3 and September 4, 1998, JEFFREY SCHNIBBEN, for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a), which requires the filing of a monetary transaction report by the financial institution on transactions over \$10,000.00 in currency, structured three financial transactions in which on each occasion, he deposited \$9,900.00 in currency into his law office trust account at the Central National Bank in Mattoon, Illinois, and did so while violating another law of the United States, namely Money Laundering, 18 U.S.C. §1956(a)(1)(A)(i) and (a)(1)(B)(i).

All in violation of Title 31, United States Code, Section 5324(a)(3).

THE GRAND JURY FURTHER CHARGES:

COUNT 21

FORFEITURE

As a result of the foregoing offenses as described in Counts 9 through 22 of this Indictment, and which are realleged and incorporated herein, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982, any and all interest they may have, individually and/or in association with each other, or others, in and to all property, real and personal, involved in the aforestated offenses and property traceable to such property, including but not limited to:

A. PROPERTY INVOLVED:

_____ 1. At least \$12,500,000.00, in that such sum in aggregate is property which was involved in the aforestated offense or is traceable to such property, in violation of Title 18, United States Code, Sections 1956, 1957 and 982, or in the alternative, if the \$12,500,000.00 cannot be located, a monetary judgment in that amount in favor of the United States and against all defendants, jointly and severally.

B. BUSINESSES:

1. All assets of a corporation known as AUCTIONS BUY US, INC., including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivable, bank accounts, real estate, and personal property, including motor vehicles and other conveyances, and any interest of AUCTIONS BUY US, INC., in and to the assets of a company known as ADVANTAGE INFORMATION TECHNOLOGIES, and/or A.I.T. SYSTEMS, INC.

2. All assets of a business known as EFFINGHAM WOOD PRODUCTS, INC., including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, and personal property, including motor vehicles and other conveyances;

3. All assets of a franchise business known as SCHREY SYSTEMS NAILS, INC., including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, and personal property, including motor vehicles and other conveyances;

4. All assets of a business known as ENGEL CONSTRUCTION, INC., including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, real estate and personal property, including motor vehicles and other conveyances;

5. All assets of a business known as ENGEL ELECTRIC, including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, real estate and personal property, including motor vehicles and other conveyances;

6. All assets of a business known as ENGEL DEVELOPMENT CORPORATION, including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, real estate and personal property, including motor vehicles and other conveyances;

7. All assets of a business known as SUBS, INC., doing business as JIMMY JOHN'S SUB SHOP, including but not limited to all equipment, including computer

equipment, inventory, supplies, tools, accounts receivables, bank accounts, real estate and personal property, including motor vehicles and other conveyances,

8. All assets of a business known as MILLER HARDWOOD, including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, real estate and personal property, including motor vehicles and other conveyances;

9. All assets of a corporation known as OUR OWN ORIGINAL BAKERY, INC., including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, real estate and personal property, including motor vehicles and other conveyances, and any interest OUR OWN ORIGINAL BAKERY may have in a business known as THE BLUE BIRD DINER, 3300 MARSHALL, MATTOON, ILLINOIS;

10. All assets of a corporation known as BLUE BIRD DINER, INC., including but not limited to all equipment, including computer equipment, inventory, supplies, tools, accounts receivables, bank accounts, real estate and personal property, including motor vehicles and other conveyances.

C. REAL ESTATE:

1. A parcel of real estate commonly known as 5781 PARK DRIVE, CHARLESTON, ILLINOIS, including all improvements and appurtenances thereon;
(Auctions by Us)

2. A parcel of real estate commonly known as 5721 PARK DRIVE, CHARLESTON, ILLINOIS (Lot 3, Coles Together Business Park), including all improvements and appurtenances thereon; (Auctions by Us)
3. A parcel of real estate commonly known as 5751 PARK DRIVE, CHARLESTON, ILLINOIS (Lot 4, Coles Together Business Park), including all improvements and appurtenances thereon; (Auctions by Us)
4. A parcel of real estate commonly known as 3300 MARSHALL AVENUE, MATTOON, ILLINOIS, including all improvements and appurtenances thereon; (BLUE BIRD DINER)
5. A parcel of real estate commonly known as 681 DEVELOPMENT DRIVE, CHARLESTON, ILLINOIS, and all improvements and appurtenances thereon; (Building Blocks)
6. A parcel of real estate commonly known as 1600 DAKOTA (formerly addressed as 1021 South 16th Street) MATTOON, ILLINOIS, and all improvements and appurtenances thereon; (Clyde D. Hood and Patricia Hood)
7. A parcel of real estate commonly known as 920 NORTH 11TH STREET, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Clyde D. Hood)
8. A parcel of real estate commonly known as 2112 LAFAYETTE AVENUE, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Barry Bullington/Clyde D. Hood)

9. A parcel of real estate commonly known as 2509 COMMERCIAL, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Barry Bullington/Clyde D. Hood)

10. A parcel of real estate commonly known as 3120 MARSHALL, MATTOON, ILLINOIS, and all improvements and appurtenances thereon; (James Turner)

11. A parcel of real estate commonly known as 308 RICHMOND, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

12. A parcel of real estate commonly known as 410 RICHMOND AVENUE, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

13. A parcel of real estate commonly known as 416 RICHMOND AVENUE, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

14. A parcel of real estate commonly known as 420 RICHMOND, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

15. A parcel of real estate commonly known as 617 RICHMOND, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

16. A parcel of real estate commonly known as 1313 NORTH 10TH, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

17. A parcel of real estate commonly known as 701 NORTH 22ND, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

18. A parcel of real estate commonly known as 1208 DeWITT, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

19. A parcel of real estate commonly known as 501 DeWITT, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

20. A parcel of real estate commonly known as 505 DeWITT, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

21. A parcel of real estate commonly known as 417 DeWITT, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

22. A parcel of real estate commonly known as 608 PRAIRIE, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

23. A parcel of real estate commonly known as 12700 NORTH COUNTY ROAD, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Phillip Haskell)

24. A parcel of real estate commonly known as 900 CHARLESTON, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Subs, Inc.)

25. A parcel of real estate situated in HOWELL COUNTY, MISSOURI, legally described in a General Warranty Deed dated January 22, 1999, and filed for record with the Howell County Recorder of Deeds Office on February 3, 1999, in Cab. B, Dr. 5, at Pages 682-99; (Timberland - Miller Hardwood)

26. A parcel of real estate situated in AVA, MISSOURI, legally described in a General Warranty Deed dated January 6, 1999, and filed for record with the Douglas County Recorder of Deeds Office on January 6, 1999 as Document #990046 in Book 321, at Page 30; (Timberland - Miller Hardwood)

27. A parcel of real estate commonly known as 1717 LAKELAND, MATTOON, ILLINOIS, together with all with all improvements and appurtenances thereon; (Our Own Original Bakery)

28. A parcel of real estate commonly known as 3108 MARSHALL, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (James Turner)

29. A parcel of real estate commonly known as 3900 WESTERN AVENUE, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (James Turner)

30. A parcel of real estate commonly known as 2721 COMMERCIAL AVENUE, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon; (Stuart Chris Engel)

31. A parcel of real estate commonly known as 272 1-1/2 COMMERCIAL AVENUE, MATTOON, ILLINOIS, together with all improvements and appurtenances thereon.(Stuart Chris Engel)

D. PERSONAL PROPERTIES:

1. One 1997 Chevrolet S10, VIN 1GCCS1445V8165691; (Engel)
2. One 1997 Ford F150, VIN 1FTDX18WXVKC61496; (Engel)
3. One 1999 Ford 150 Van, VIN 1FTRE14W8XHB34568; (Engel)
4. One 1979 Ford N7M Truck, VIN R70BVEE9950; (Engel)
5. One 1999 Dodge 150, VIN 1B7HC16XXS155481; (Engel)
6. One 1998 Dodge 150, VIN 1B7HC16X7WX609605; (Engel)
7. One 1999 Dodge 150, VIN 1B7HC16X7XS213837; (Engel)
8. One 1999 Dodge 150, VIN 1B7HC16X9XS155486; (Engel)
9. One 1989 Ford F15, VIN 1FTEF14N0KLA64265; (Engel)
10. One 1999 Chevrolet S10, VIN 1GCCS1442XK207336; (Engel)
11. One 1999 GMC, VIN 1GTCS1446XK501564; (Engel)

12. One 1999 GMC, VIN 1GTCS1449X8525323; (Engel)
13. One 1983 Pierce Truck, VIN 1P9BT03C8CA040448; (Engel)
14. One 1993 Ford F350, VIN 2FDKF38C6PCB47820; (Engel)
15. One 1989 Chevrolet GK3, VIN 2GCGK39N8K1207994; (Engel)
16. One 1993 Chevrolet S10, VIN 1GCCS14R2P8156641; (Engel)
17. One 1999 Ford 240 Van, VIN 1FTPE242XHB31985; (Engel)
18. One 1989 Ford F700, VIN 1FDNF70K8KVA06046; (Engel)
19. One 1999 Doolittle Trailer, VIN 1DGCS1626XM033212; (Engel)
20. One 1997 Ford F150, VIN 1FTDF08W7VKC86854; (Engel)
21. One 1997 Ford F150, VIN 1FTDX18W1VKC67980; (Engel)
22. One 1997 Ford F150, VIN 1FTDX1865VKA16198; (Engel)
23. One 1999 Doolittle Trailer, VIN 1DGCS1626XM036161; (Engel)
24. One 1999 Lincoln Navigator, VIN 16JF01620X1032949; (Engel)
25. One 1999 Lincoln Navigator, VIN 5LMPU28A4XLJ42509; (Engel)
26. One 1991 Mercury MGL, 4 Dr., VIN 2MECM75F0MX667325; (Engel)
27. One 1998 Ford F150, VIN 1FTRX8L4WNB15753; (Engel)
28. One 1997 Ford F150, VIN 1FTDX186XVKB10271; (Engel)
29. One 1998 Ford Expedition XLT, VIN 1FMPU18L5WLB30379; (Engel)
30. One 1997 Ford Expedition, VIN 1FMFU18L1VLA51270; (Engel)
31. One 1999 Ford F150, VIN 1FTRX18WXXKB01062; (Engel)
32. One 1997 Ford F150, VIN 1FTDF18W0VKA89627; (Engel)
33. One 1998 Ford F150, VIN 1FTZX18WXWNA19510; (Engel)

34. One 1998 RED I Haul Trailer, VIN 47SS162T2W1013337; (Engel)
35. One 2000 Ford F150, VIN 1FTRX18L2YNA44832; (Engel)
36. One 1998 Ford F250, VIN 1FTPX28L2WNA26776; (Engel)
37. One 1999 Ford F250, VIN 1FTNX21F7XEE68174; (Engel)
38. One 1997 Ford F150, VIN 1FTDX0869VKB10272; (Engel)
39. One 1997 Ford F150, VIN 1FTDX1860VKA73229; (Engel)
40. One 1998 Ford F150, VIN 1FTZX18W5WNA63124; (Engel)
41. One 1997 Ford Expedition, VIN 1FMEU18W4VLA44433; (Engel)
42. One 1999 Lincoln 4 Door, VIN 1LNHM83W0XY654042; (Hood)
43. One 1998 Chevrolet GC1, VIN 2GCEC19R3W1157667; (Hood)
44. One 1998 Lincoln, VIN 1LNM92V3WY625767; (Haskell)
45. One 1990 Ford F150, VIN 2FTEX14N8LKB18125; (Haskell)
46. One 1998 Oldsmobile Bravada, VIN 1GHDT13W4W2709276; (Jones)
47. One 1999 Ford F150 Pickup, VIN 1FTRX18W4XKB56607; (McKibben)
48. One 1950 Mercury 4 Door, VIN 50SL43537M; (McKibben)
49. One 1995 Lincoln SE 4 Door, VIN 1LNLM82W2SYV29597; (McKibben)
50. One 1928 Oakland antique automobile; (Hood)
51. One 1946 Lincoln (black) antique automobile; (Hood)
52. One 1954 Cadillac (black/dark green) antique automobile; (Hood)
53. One 1924 Hudson antique automobile; (Hood)
54. One Dodge (dark colored) antique automobile; (Hood)
55. One Dodge (dark colored) antique automobile; (Hood)

56. One antique dump/pickup truck with wooden bed; (Hood)
57. One black Ford antique automobile; (Hood)
58. One dark blue/green Dodge antique automobile; (Hood)
59. One 1970 Lincoln (white over turquoise) antique/classic automobile; (Hood)
60. One 1907 Metz 2 cylinder engine, green with white/cream color wheels and buggy top; (Hood)
61. One Large Assortment of Beanie Baby stuffed animals; (Hood)
62. \$3,400.00 in U.S. currency. (Hood/McKibben)

E. BANK ACCOUNTS:

1. Any and all funds on deposit in the following accounts:
 - (a) Checking Account No. 70-0835 in the name of Our Own Original Bakery at The Bank, Mattoon, Illinois;
 - (b) Checking Account No.002-987-4 in the names of Auctions Buy Us, Richard Jones and Nancy Jones at The Bank, Charleston, Illinois;
 - (c) Checking Account No. 01-2915-0 in the names of Clyde D. Hood and Patricia Hood at the First National Bank of Lerna, Lerna, Illinois;
 - (d) Checking Account No. 5511642 in the name of Patricia Hood at 1st Mid Illinois Bank & Trust, Mattoon, Illinois;
 - (e) Checking Account No. 109223 in the names of Clyde D. Hood and Frank L. Myers at Community First Credit Union, Mattoon, Illinois;
 - (f) Checking Account No. 50002325 in the names of Miller Hardwood and/or Raymond Miller at Community 1st National Bank, West Plains, Missouri;

(g) Checking Account No. 106-977-2 in the name of Santa Fe Agency, Inc., at First National Bank & Trust in McAlester, Oklahoma;

(h) Checking Account #358-208-867-8001 in the name of William Revelle and/or Clyde D. Hood and/or Omega Trust & Trading, Ltd., at Standard Charter Bank of Dubai in the United Arab Emirates;

(i) Checking Account No. 100151572 in the name of Engel Construction at Nations Bank, Mattoon, Illinois;

(j) Checking Account No. 7104650 in the name of Engel Construction at Central National Bank, Mattoon, Illinois;

(k) Checking Account No. 309053389 in the names of Chris Engel and Nancy Engel at 1st Mid Illinois Bank & Trust, Mattoon, Illinois;

(l) Checking Account No. 05-00014884 in the name of Chris Engel at Community Bank & Trust in Olney, Illinois;

(m) Checking Account No. 01-20093847 in the name of Engel Construction, Inc., at Community Bank & Trust, Olney, Illinois;

(n) Checking Account No. 3114307693 in the name of Chris Engel at Union Planters Bank in Chesterfield, Missouri;

(o) Checking Account No. 104299 in the name of Effingham Wood Products, Inc., at Stewardson National Bank in Effingham, Illinois;

(p) Checking Account No. 0101-00151572 in the name of Stuart Chris Engel d/b/a Engel Construction, at Bank of America/Boatman's National Bank, Mattoon, Illinois;

- (q) Checking Account No. 9770033398 in the name of Engel Construction at Central National Bank, Mattoon, Illinois;
- (r) Checking Account No. 1013025 in the name of Stuart Chris Engel at Heritage National Bank, Olney, Illinois,
- (s) Checking Account No. 12009383907 in the name of Shrey Systems Nails at Community Bank & Trust of Olney, Olney, Illinois.
- (t) Checking Account No. 002870335709 in the name of Engel Construction, Inc. at Bank of America, Mattoon, Illinois;
- (u) Checking Account No. 002870332896 in the name of Engel Construction, Inc., at Bank of America, Mattoon, Illinois;

F. OTHER INTERESTS:

1. Any and all interest the defendants, CLYDE D. HOOD, PATRICIA HOOD and/or FRANKLIN L. MYERS, may have in the following property acquired by them, jointly or severally, by virtue of certain loans and/or mortgages made as follows:

- (a) 1117 South 15th Street, Mattoon, Illinois: Mortgage dated June 5, 1996, by and between C.B. and K.B., husband and wife, and Patricia Hood, in the principal amount of \$77,600.00
- (b) 1216 South 16th Street, Mattoon, Illinois: Mortgage dated July 29, 1996, by and between V.J. and Patricia Ann Hood, in the principal amount of \$62,763.18;
- (c) 3500 Prairie Avenue, Mattoon, Illinois: Mortgage dated November 17, 1995, by and between Patricia Hood and J.C.H. and Z.F.H., husband and wife,

in the principal amount of \$42,000.00, and a Mortgage dated March 13, 1996, by and between Patricia Hood and J.C.H. and Z.F.H., husband and wife, in the principal amount of \$7,700.00;

(d) 22 Saint Andrews Place, Mattoon, Illinois: Mortgage dated May 10, 1996, by and between D.C.S. and P.K.S., husband and wife, and Patricia Hood, in the principal amount of \$242,000.00;

(e) 1510, 1514, 1514-1/2 Broadway Street, Mattoon, Illinois: Mortgage dated August 28, 1996, by and between Barry G. Bullington and M.B., husband and wife, and Patricia Hood, in the principal amount of \$75,000.00;

(f) 2601 Champaign Avenue, Mattoon, Illinois: Mortgage dated June 9, 1998, by and between K.S.W. and P.L.W., husband and wife, and Patricia Hood, in the principal amount of \$162,800.00;

(g) 2560 West State Street, Charleston, Illinois: Mortgage dated on or about June 29, 2000, by and between G.L. and N.L., husband and wife, and FRANKLIN L. MYERS, with payments to be made to Clyde D. Hood, in the principal amount of \$50,000.00;

(h) 16 Greenbriar, Mattoon, Illinois: Mortgage dated on or about October 26, 1998, by and between Clyde D. Hood and Richard Jones and Nancy Jones, husband and wife, in the principal amount of \$78,044.55;

(i) 1508 Broadmoor, Mattoon, Illinois: Loan made on or about June 14, 1996, by and between D.C. and D.C., husband and wife, and Clyde D. Hood, in the principal amount of \$116,000.00.

G. SUBSTITUTE ASSETS:

If any of the properties described above as being subject to forfeiture, as a result of any act or omission of the defendants:

- (a) Cannot be located upon the exercise of due diligence;
- (b) Have been transferred or sold to, or deposited with, a third person;
- (c) Have been placed beyond the jurisdiction of the Court;
- (d) Have been substantially diminished in value; or,
- (e) Have been commingled with other property which cannot be

subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1) (incorporating 21 U.S.C. §853(p)), to seek forfeiture of any other real or personal property of the defendants up to the value of the above forfeitable property.

THE GRAND JURY FURTHER CHARGES:

COUNT 22

(FILING FALSE TAX RETURN)

_____ On or about April 15, 1996, in the Central District of Illinois,

**CLYDE D. HOOD and
PATRICIA HOOD,**

defendants herein, then residents of Mattoon, Illinois, did willfully make and subscribe a Joint 1995 United States Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue

Service, which 1995 Individual Income Tax Return, Form 1040, they did not believe to be true and correct as to every material matter including the fact that the Form 1040 claimed total income of \$9,919.00, whereas they then and there well knew and believed that their total income for the calendar year 1995 was well in excess of that stated;

In violation of Title 26, United States Code, Section 7206(1) and Title 18, United States Code, Section 2.

THE GRAND JURY FURTHER CHARGES:

COUNT 23

(FILING FALSE TAX RETURN)

On or about April 15, 1997, in the Central District of Illinois,

**CLYDE D. HOOD and
PATRICIA HOOD,**

defendants herein, then residents of Mattoon, Illinois, did willfully make and subscribe a Joint 1996 United States Individual Income Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which 1996 Individual Income Tax Return, Form 1040, they did not believe to be true and correct as to every material matter including the fact that the Form 1040 claimed total income of \$11,222.00, whereas they then and there well knew and believed that their total income for the calendar year 1996 was well in excess of that stated.

In violation of Title 26, United States Code, Section 7206(1) and Title 18, United States Code, Section 2.

A TRUE BILL

FOREPERSON

FRANCES C. HULIN
United States Attorney

EFS