

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	
v.	)	No.
	)	
MELVIN T. BELL,	)	Violation: Title 18, United States Code,
also known as “Alex Crown”	)	Section 1341
“Minister Bey”	)	
“Sovereign King Bey”	)	
“King Bey”	)	
“S.K. Bey,”	)	
MONICA HERNANDEZ, and	)	
CARLOS RAYAS	)	

COUNT ONE

The SPECIAL MARCH 2013 GRAND JURY charges:

1. At times material to this indictment:

a. Washington National Trust had an office located at 31 Downy Place, Suite 409, Aurora, Illinois. Washington National Trust was not a licensed trust under the laws of the State of Illinois, nor was it licensed under Illinois law to originate or modify mortgage loans.

b. Defendant MELVIN T. BELL used the aliases “Alex Crown,” “Minister Bey,” “Sovereign King Bey,” “King Bey,” and “S.K. Bey.”

c. Defendant MONICA HERNANDEZ was a licensed real estate broker in the State of Illinois.

d. Defendant CARLOS RAYAS was a licensed loan originator in the State of Illinois.

e. The Kane County Recorder of Deeds recorded and maintained public records and documents and, on or about September 17, 2012, and October 12, 2012, the Circuit

Court of Kane County prohibited Washington National Trust from filing certain records and documents.

f. The Illinois Department of Financial and Professional Regulation oversaw the regulation of residential mortgage activities and trusts operating in the State of Illinois and, on or about December 21, 2012, and February 11, 2013, issued a series of cease and desist orders prohibiting Washington National Trust, BELL, and HERNANDEZ from using the word “trust” in connection with any business in the State of Illinois and from engaging in unlawful residential mortgage origination activity.

g. On or about February 11, 2013, IDFPR issued an order revoking RAYAS’s mortgage loan originator license.

2. Beginning no later than October 2011, and continuing until the present, in the Northern District of Illinois, Eastern Division, and elsewhere,

MELVIN T. BELL,  
MONICA HERNANDEZ, and  
CARLOS RAYAS,

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

3. It was part of the scheme that defendants BELL, HERNANDEZ, and RAYAS used Washington National Trust to obtain at least approximately \$220,000 from at least 50 homeowners by falsely promising that Washington National Trust would save homeowners’ homes from foreclosure and lower their monthly mortgage payments, when defendants knew such representations were false.

4. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS marketed and caused to be marketed Washington National Trust as a purported trust operating a financial assistance program for homeowners in Illinois, when defendants knew that Washington National Trust did not provide financial assistance to homeowners and was not a licensed trust as required under the laws of Illinois.

5. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS falsely marketed and caused to be marketed Washington National Trust as a trust operated and controlled by wealthy Native Americans that was exempt from the laws of Illinois and the United States, when defendants knew that Washington National Trust was operated and controlled by BELL and HERNANDEZ and was not exempt from the laws of Illinois or the United States.

6. It was further part of the scheme that, in order to obtain thousands of dollars in fees from homeowners, defendants BELL, HERNANDEZ, and RAYAS falsely represented and caused to be falsely represented to homeowners that Washington National Trust would lower the homeowners' existing mortgage payments by half and defeat any foreclosure of the homeowners' properties, when defendants knew that Washington National Trust was not licensed to conduct loan originations and modifications in Illinois and could not lower homeowners' mortgage payments and defeat foreclosure.

7. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS falsely represented and caused to be falsely represented to homeowners that Washington National Trust was capable of paying off the homeowners' mortgages and acquiring homeowners' mortgages from lenders, when defendants knew that Washington National Trust did not have

sufficient funds to pay off the homeowners' mortgages and never paid off or acquired any of the homeowners' mortgages.

8. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS falsely represented and caused to be falsely represented to homeowners that once Washington National Trust paid off and acquired the homeowners' mortgages, homeowners would owe only half of the original mortgage loan to Washington National Trust, due over a period of approximately five years and free of any interest and property taxes, when defendants knew such representations were false.

9. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS falsely represented and caused to be falsely represented to homeowners that in order for Washington National Trust to lower the homeowners' mortgage payments and defeat foreclosure, the homeowners had to sign documents and deeds purportedly appointing Washington National Trust as the homeowners' trustee and transferring title of the homeowners' properties to Washington National Trust, when defendants knew that having homeowners sign these documents would not lower homeowners' mortgage payments or legitimately defeat foreclosure, but instead were designed for Washington National Trust to appear legitimate and obtain fees from homeowners.

10. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS recorded and caused to be recorded fraudulent documents and deeds in the county recorder of deeds offices in various counties in Illinois, including the Kane County Recorder of Deeds office and the Kendall County Recorder of Deeds office, when defendants knew such

documents and deeds were falsely designed to delay foreclosure and make it appear that Washington National Trust was the homeowners' trustee.

11. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS represented and caused to be represented to homeowners' that homeowners had to pay fees ranging from approximately \$5,000 to \$10,000 per property, in the form of cash or cashiers' checks, in order for Washington National Trust to lower the homeowners mortgages and defeat foreclosure. Defendants also represented and caused to be represented to homeowners that the fees paid by homeowners would count towards the homeowners' principal balance after Washington National Trust acquired the loan from the lender, when defendants knew that the homeowners' fees were not used to lower the homeowners' principal balance at any time.

12. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS entered into contracts with homeowners in which defendants falsely represented that Washington National Trust would lower their mortgage payments and defeat any foreclosure of the homeowners' properties, or refund the homeowners' fees.

13. It was further part of the scheme that, in order to recruit additional homeowners into the scheme, defendant HERNANDEZ paid referral fees to individuals who referred homeowners to Washington National Trust.

14. It was further part of the scheme that rather than use homeowners' fees to lower homeowners' mortgage payments or defeat foreclosure of homeowners' properties, defendants BELL and HERNANDEZ used the fees to pay for marketing and operating Washington National Trust, including payments to defendant RAYAS and others who referred homeowners to

Washington National Trust, as well as for various personal expenses of defendants, including meal purchases, travel expenses, vehicle purchases and retail purchases.

15. It was further part of the scheme that, when homeowners demanded refunds and complained about Washington National Trust's failure to lower their mortgage payments and defeat foreclosure, defendants HERNANDEZ and RAYAS lulled homeowners by stating that the process was delayed due to the volume of homeowner applications and legal proceedings with the State of Illinois, and told homeowners that they would be issued a refund, when defendants knew those representations were false.

16. It was further part of the scheme that defendants BELL and HERNANDEZ concealed from homeowners that Washington National Trust was using the homeowners' own fees to operate Washington National Trust and did not have enough funds capable of paying off any single homeowner's mortgage or refunding all of the homeowners.

17. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS concealed and caused to be concealed from homeowners that on or about September 17, 2012, and October 12, 2012, the Circuit Court of Kane County issued orders barring Washington National Trust from further filing and recording of documents and deeds in the Kane County Recorder of Deeds office without leave of Court.

18. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS concealed and caused to be concealed from homeowners that on or about December 13, 2012, the Illinois Department of Financial Regulation issued an order to Washington National Trust to cease and desist using the word "trust" when conducting business in Illinois.

19. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS concealed and caused to be concealed from homeowners that on or about February 11, 2013, Illinois Department of Financial Regulation issued an order to BELL to personally cease and desist engaging in unlawful residential mortgage origination activity in Illinois.

20. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS concealed and caused to be concealed from homeowners that on or about February 11, 2013, Illinois Department of Financial Regulation issued an order to HERNANDEZ to personally cease and desist engaging in unlawful residential mortgage origination activity in Illinois.

21. It was further part of the scheme that defendants BELL, HERNANDEZ, and RAYAS concealed and caused to be concealed from homeowners that on or about February 11, 2013, Illinois Department of Financial Regulation issued an order revoking RAYAS's mortgage loan originator license.

22. It was further part of the scheme that defendants BELL, HERNANDEZ and RAYAS, and others, did misrepresent, conceal, and hide, and caused to be misrepresented, concealed, and hidden, acts done in furtherance of the scheme and the purpose of those acts.

23. It was further part of the scheme that as a result of their false and fraudulent pretenses, representations, promises, and concealment of material facts, defendants BELL, HERNANDEZ, and RAYAS obtained at least approximately \$220,000 from approximately 54 victims and caused losses in at least that amount.

24. On or about April 11, 2012, at Sugar Grove, in the Northern District of Illinois, Eastern Division, and elsewhere,

MELVIN T. BELL,  
MONICA HERNANDEZ, and  
CARLOS RAYAS,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be delivered by U.S. mail, according to the direction thereon, an envelope containing signed copies of membership documents from Washington National Trust, that envelope being addressed to Individuals A1 and A2 at an address in Sugar Grove, Illinois;

In violation of Title 18, United States Code, Section 1341.



COUNT TWO

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 23 of Count One of this indictment are incorporated here.
2. On or about August 8, 2012, at Aurora, in the Northern District of Illinois, Eastern Division, and elsewhere,

MELVIN T. BELL,  
MONICA HERNANDEZ, and  
CARLOS RAYAS,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be delivered by U.S. mail, according to the direction thereon, an envelope containing signed copies of membership documents from Washington National Trust, that envelope being addressed to Individual B at an address in Aurora, Illinois;

In violation of Title 18, United States Code, Section 1341.

COUNT THREE

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 23 of Count One of this indictment are incorporated here.

2. On or about September 6, 2012, at Aurora, in the Northern District of Illinois, Eastern Division, and elsewhere,

MELVIN T. BELL and  
MONICA HERNANDEZ,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be delivered by U.S. mail, according to the direction thereon, an envelope containing signed copies of membership documents from Washington National Trust, that envelope being addressed to Individual C at an address in Aurora, Illinois,

In violation of Title 18, United States Code, Section 1341.

COUNT FOUR

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 23 of Count One of this indictment are incorporated here.
2. On or about September 7, 2012, at Aurora, in the Northern District of Illinois, Eastern Division, and elsewhere,

MELVIN T. BELL and  
MONICA HERNANDEZ,

defendants herein, for the purpose of executing the scheme to defraud, knowingly caused to be delivered by U.S. mail, according to the direction thereon, an envelope containing signed copies of membership documents from Washington National Trust, that envelope being addressed to Individual D at an address in Aurora, Illinois;

In violation of Title 18, United States Code, Section 1341.

## FORFEITURE ALLEGATIONS

The SPECIAL MARCH 2013 GRAND JURY further charges:

1. The allegations of Counts One through Four of this Indictment are incorporated here for the purpose of alleging forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

2. As a result of the offenses charged in Counts One through Four of this Indictment,

MELVIN T. BELL,  
MONICA HERNANDEZ, and  
CARLOS RAYAS,

defendants herein, shall forfeit to the United States any and all right, title, and interest they have in any property, real and personal, which is derived from proceeds traceable to the offenses in Counts One through Four.

3. The interests of defendants subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) as incorporated by Title 28, United States Code, Section 2461(c), including but not limited to approximately \$220,000.

4. If, as a result of any act or omission by the defendants, any of the forfeitable property described above:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

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FOREPERSON

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UNITED STATES ATTORNEY