

Russo, Stephanie

From: AYoung7550@aol.com
Sent: Sunday, October 24, 2010 7:14 PM
To: Russo, Stephanie
Subject: Only in the twilight zone!

Calumet Township OKs \$19.8M budget

Comments

October 21, 2010

BY MICHAEL GONZALEZ , POST-TRIBUNE CORRESPONDENT

GARY -- The Calumet Township Board passed its \$19.8 million operating budget for 2011 on a 2-1 vote Wednesday, with Clorius Lay as the sole -- and very vocal -- dissenter.

The tax levy, or the amount of the budget to be picked up by taxpayers, would be more than \$15.16 million, if the budget is approved and depending on how one considers an appeals levy on the proposed budget.

But, after the meeting, Trustee Mary Elgin and staff members said they would "jump for joy" if they received even half of the money they need given property tax caps, the tough economy and plummeting property tax collection rates.

The township trustee is responsible for a number of services, but it may be best known for offering a number of services to indigent residents. For 2011, the trustee requested \$692,000 for medical, hospital and burial expenses and \$8,295,000 for a range of services from help with rent subsidies to utility bills and buying school books.

What the township wants and what it gets are likely to be very different in the final budget that has to be approved by state agencies, said Curtis Whittaker, the township C.P.A.

The property tax cap passed into law two years ago has meant lower property tax bills for homeowners but drastically reduced revenues for all taxing bodies.

Add to that the Nov. 2 referendum giving Indiana voters a chance to make the property tax caps permanent, and you have government agencies changing the way they serve the public.

If the township gets even half of what it's asking, that would be a pleasant surprise, said one staff member. Such declines in revenue hit township clients harshly. Elgin recently announced her office would chop rental assistance for clients from six months to three months a year.

That point partly rankled Lay, who said after the meeting he voted against the budget and the salary portion of the budget, in particular, because "the salaries Elgin is asking for are atrocious, especially when you have people who are getting their rental assistance cut in half.

"Elgin's created the largest homeless group you have, now. Where are these people who need help going to live the other nine months of the year?" Lay also criticized a \$6 million excessive levy appeals item on the budget.

He debated the states Department of Local Government Finance would approve the money, which he said actually amounts to an extra tax levy on tax payers.

The excessive levy appeal is not an additional tax, Elgin said, but it is an amount she's seeking, and would have to pay back, to help offset shortfalls in tax collections.

Russo, Stephanie

From: AYoung7550@aol.com
Sent: Sunday, October 24, 2010 7:25 PM
To: Russo, Stephanie
Subject: More fraud indictments involving City of Gary public officials

To the DUAB Staff:

Several individuals that are featured in this article detailing the latest federal indictment to hit Gary public officials, were among the City of Gary's entourage. Some of the individuals who are central to this latest fraud actually testified on behalf of the City of Gary at the last DUAB hearing.

It should be no mystery why they were so strident in their pleas for the DUAB not to do anything to upset the status quo. Their schemes depended on it!

Grand jury indicts four in complicated fraud scheme

[Comments](#)

October 23, 2010
BY JON SEIDEL, (219) 648-3068

Jerry Haymon once said he used cash from the Gary City Council to renovate a house at 4028 Tennessee St. and make "a beautiful home for a family that would have never been a homeowner."

But a federal grand jury said Friday the house was one of four used by Haymon, Gary Community Development Director

Jacquelyn Drago-Hunter, Gary reserve police officer Phillip Rucker and mortgage broker Sheila Chandler to commit a complicated fraud scheme.

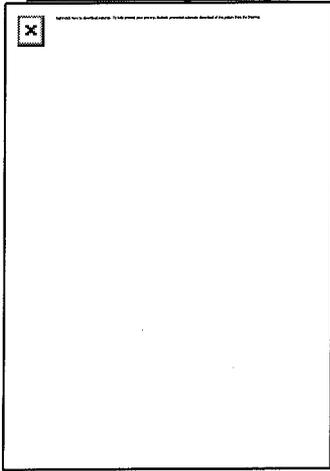
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Businessman Jerry Haymon, right, gets a hug from a woman after delivering Christmas gifts for her family in December 2004. Haymon was indicted Friday along with three others for his role in a complicated fraud scheme in Gary centered on

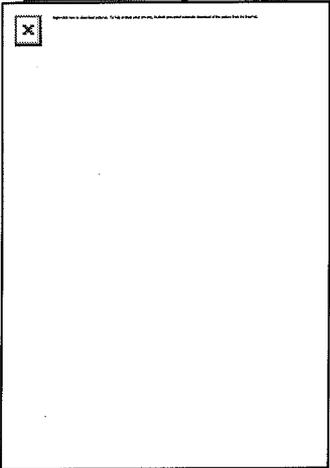
renovating homes in the city's Glen Park neighborhood.
(Post-Tribune photo)

[» Click to enlarge image](#)



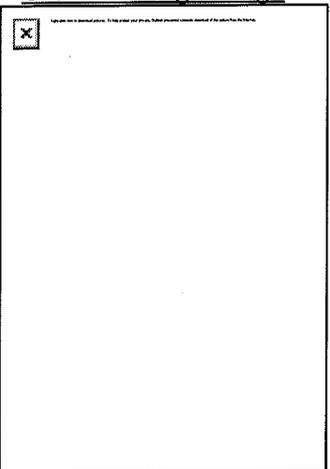
Jerry Haymon

[» Click to enlarge image](#)



Jacquelyn Drago-Hunter

[» Click to enlarge image](#)



Phillip Rucker

Together they illegally pocketed \$301,247, according to a grand jury indictment unsealed Friday. They are all charged with wire fraud, and Drago-Hunter faces two charges of aggravated identity theft.

Haymon surrendered Friday, according to his attorney, and court records show he pleaded not guilty. A Gary police spokesman said Rucker is on leave from his volunteer duties until the case is settled.

The Post-Tribune first reported on Haymon's activities in a 2008 investigation.

The grand jury said the defendants faked documents, made false promises and forged signatures as they executed their scheme between Oct. 1, 2007, and Nov. 5, 2008.

It said Haymon and others convinced people they could help sell their properties. Then they found people to buy them far in excess of their market value.

Haymon and others gave money to the buyers to create the false impression that the buyers were financially secure. That helped them obtain loans.

Chandler prepared false loan applications for the buyers that were submitted to lenders, the grand jury said, and Haymon filed fake mechanics liens to obtain portions of the loans.

Drago-Hunter, who is named as an owner of Maximilian Title, is accused of then preparing false HUD-1 settlement statements and disbursing the loan money. Haymon, Drago-Hunter, Chandler and Rucker shared the illegal cash, according to the indictment.

Versions of this scheme took place at 3829 Connecticut St., 3617 Johnson St., 3758 Buchanan St. and 4028 Tennessee St., the grand jury said. All four are found in Gary's Glen Park area.

Two closings alleged

Haymon used his Priced Right Construction and Management LLC and K&L Consultants LLC businesses to commit part of the crime, the grand jury said. He is also identified as the leader of the not-for-profit Coalition of Concern.

Haymon agreed Priced Right would buy 3829 Connecticut for \$36,000 from "DB and JW," then an associate offered "SH" \$10,000 to pretend to buy the property for \$74,000. Priced Right filed a mechanics lien for \$35,000 on the property even though Priced Right had done no work there.

Drago-Hunter closed the sale twice on Feb. 29, 2008, the grand jury said. First she prepared a false HUD-1 settlement statement that said "DB and JW" sold to "SH." The grand jury said the signatures of "DB and JW" were forged.

That paperwork said the sellers got \$36,237, which the grand jury said was false. Drago-Hunter then sent \$35,000 to Priced Right but didn't note it on the HUD-1.

During the next closing, the grand jury said, Drago-Hunter prepared a second HUD-1 that said Priced Right purchased 3829 Connecticut for \$36,000. She then disbursed additional money to Maximilian but didn't state it on the paperwork.

Finally, Haymon paid a \$13,000 kickback to the unnamed associate who first recruited "SH." The grand jury said there were also kickbacks to a mortgage broker for "SH" and others.

Similar schemes took place at the other addresses, the grand jury said, with Chandler helping with two sales and Rucker helping with one.

Rucker participated by recruiting one buyer to purchase 3758 Buchanan in July 2008, the grand jury said, and accepting a \$5,000 kickback along with Chandler and unnamed others.

Chandler is accused of telling a title company, lender and others she was a loan processor for a mortgage company for the sales at 3758 Buchanan and 4028 Tennessee. The grand jury also said she prepared false documents and accepted a \$3,000 kickback along with unnamed others.

Chandler faces nine charges in a separate but similar indictment filed in May. She and four others are accused of taking more than \$600,000 in that case, which is set to go to trial Jan. 18.

City Council money used

The Post-Tribune asked Haymon about his activities with the Coalition of Concern, Priced Right Construction and K&L Consultants in 2008.

The Coalition received \$75,000 from the Gary City Council under a 2007 grant agreement with

Councilman Ronier Scott, who represents Glen Park. It was unclear from the terms of the deal what services Haymon was expected to provide.

But Haymon later said that money was used to fix up 4028 Tennessee. In 2008, property records said it was owned by Priced Right Construction.

"Gary was getting ready to put it on the demolition list," Haymon said that year.

Federal agents sent a subpoena to Gary City Hall in November 2009 seeking copies of the grant agreement, a city attorney said at the time.

Scott also directed at least \$103,500 to the Coalition of Concern between 2004 and 2006, records show. Haymon originally denied receiving it but later acknowledged the money.

He also provided a letter that said K&L was under the scrutiny of the Indiana Attorney General's consumer protection division until May 2008, when the office took no action against it.

Scott said he was surprised to hear about Friday's indictment, even though he's been contacted by federal agents about the case in the past.

The document references "others known and unknown to the grand jury" while outlining the scheme, but Scott said agents gave him no reason to think he's targeted.

"They're just coming to me for information," Scott said.

Clay mum on Drago-Hunter

Gary Mayor Rudy Clay failed to return several calls seeking comment about Drago-Hunter, who manages millions in federal dollars while running his city's community development office.

Darnail Lyles, Chandler's attorney, said he had yet to see the indictment. Haymon's attorney, John R. Cantrell, said he had not yet given it a close read and declined to comment.

An attorney listed in court records for Drago-Hunter said he no longer represents her. No attorney was listed for Rucker.

Lt. Samuel Roberts, a spokesman for the Gary Police Department, said Rucker finished his most recent volunteer shift for the GPD at 8 a.m. Friday.

He said Rucker told Police Chief Gary Carter about the indictment, and Carter put Rucker on leave.

Roberts said, "one is innocent until proven otherwise."

Post-Tribune Staff writer Teresa Auch Schultz contributed to this report.

