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

UNITED STATES OF AMERICA,	)	INDICTMENT 1:14CR410
Plaintiff,	)	
v.	)	CASE NO.__________
	)	Title 18, United States Code, Sections 1344 and 1957
JOE SPAQI,	)	
Defendant.	)	

JUDGE GWIN

General Allegations

1. At all times material to this Indictment, St. Paul Croatian Federal Credit Union (hereinafter "SPCFCU") was a financial institution, as defined in Title 18, United States Code, Section 20, the deposits of which were insured by the National Credit Union Share Insurance Fund. As a federal credit union, SPCFCU was a cooperative financial institution in that its account holders owned shares of the credit union and were, therefore, the owners or "members" of the credit union. SPCFCU was not permitted to issue commercial loans, but did issue "share-secured" personal and consumer loans to its members. Share-secured meant that the particular borrower pledged funds on deposit with SPCFCU that matched or exceeded the loan amount. SPCFCU would sometimes issue "reset loans" to its members. A reset loan was a loan issued to cover delinquent payments on old loans.

2. The National Credit Union Administration ("NCUA") is the independent federal agency that regulates, charters and supervises federal credit unions. The NCUA also operates and manages the National Credit Union Share Insurance Fund.

3. On or about April 23, 2010, SPCFCU was placed into conservatorship by the NCUA. On April 30, 2010, the NCUA liquidated SPCFCU and discontinued its operations after determining that SPCFCU was insolvent. At the time of the liquidation, SPCFCU served 5,400 members and was believed to have assets of approximately $238.8 million.

4. At all times material herein, Anthony Raguz, not charged herein, was employed as the Chief Operating Officer of SPCFCU.

5. At all times material herein, JOE SPAQI ("SPAQI") purportedly owned, operated and controlled, directly and indirectly, multiple businesses, including Eclipse Bar & Grill.

6. P.S., a person known to the Grand Jury but not charged herein, was a relative of SPAQI, and maintained a joint account with SPAQI at SPCFCU.

7. W.S., a person known to the Grand Jury but not charged herein, was a relative of SPAQI, and maintained an account at SPCFCU.

8. At all times material herein, "Luke Nue" was a fictitious name listed on a joint account with SPAQI at SPCFCU.

Count 1
(Financial Institution Fraud)

The Grand Jury charges:

9. Paragraphs 1 through 8 of the general allegations are re-alleged and incorporated herein by reference.

10. From on or about April 27, 2005, through on or about August 7, 2009, in the Northern District of Ohio, Eastern Division, and elsewhere, defendant JOE SPAQI, aided and

abetted by Anthony Raguz (not charged in this Indictment) and P.S. (not charged in this indictment), knowingly executed and attempted to execute a scheme and artifice to defraud SPCFCU, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the control of SPCFCU, by means of false and fraudulent pretenses, representations, and promises.

11. It was part of the scheme and artifice to defraud that, on or about November 1, 1999, SPCFCU account number 70813 was jointly opened in the names of P.S. and SPAQI. From on or about April 27, 2005, through on or about August 7, 2009, SPAQI requested and obtained at least four loans from SPCFCU through its Chief Operating Officer, Anthony Raguz. SPAQI did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that SPAQI failed to follow established procedures and made false representations and promises to obtain these loans, Raguz approved SPAQI for at least four loans which totaled at least $133,120.76

12. It was a further part of the scheme and artifice to defraud that, from on or about April 27, 2005, through on or about August 7, 2009, Raguz caused SPCFCU to issue seven official checks totaling approximately $133,120.76, to or on behalf of SPAQI, P.S., and unrelated third parties, drawn on loan accounts in the name of P.S. and SPAQI. Some of the loan proceeds were then deposited into separate share accounts maintained at SPCFCU.

13. As a result of the scheme and artifice executed by SPAQI, and aided and abetted by Anthony Raguz and P.S., SPCFCU and the NCUA suffered losses totaling approximately $133,120.76.

All in violation of Title 18, United States Code, Section 1344.

Count 2
(Financial Institution Fraud)

The Grand Jury further charges:

15. Paragraphs 1 through 8 of the general allegations are re-alleged and incorporated herein by reference.

16. From on or about August 24, 2006, through on or about September 9, 2009, in the Northern District of Ohio, Eastern Division, and elsewhere, defendant JOE SPAQI, aided and abetted by Anthony Raguz (not charged in this Indictment), knowingly executed and attempted to execute a scheme and artifice to defraud SPCFCU, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the control of SPCFCU, by means of false and fraudulent pretenses, representations, and promises.

17. It was part of the scheme and artifice to defraud that, on or about September 4, 1997, SPCFCU account number 70811 was opened in SPAQI's name at SPCFCU. From on or about August 24, 2006, through on or about September 9, 2009, SPAQI requested and obtained at least eleven loans from SPCFCU through its Chief Operating Officer, Anthony Raguz. SPAQI did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that SPAQI failed to follow established procedures and made false representations and promises to obtain the loans, Raguz approved SPAQI for at least eleven loans, which totaled at least $433,302.56. Some of the loan proceeds were then deposited into separate share accounts maintained at SPCFCU.

18. It was a further part of the scheme and artifice to defraud that, from on or about August 24, 2006, through on or about September 9, 2009, Raguz caused SPCFCU to issue fourteen official checks totaling approximately $433,302.56, to or on behalf of SPAQI, the Cuyahoga County Treasurer, or Pat O'Brien Chevrolet, drawn on a loan account in the name of

SPAQI. Some of the loan proceeds were then deposited into separate share accounts maintained at SPCFCU.

19. As a result of the scheme and artifice executed by JOE SPAQI, and aided and abetted by Anthony Raguz, SPCFCU and the NCUA suffered losses totaling approximately $433,302.56.

All in violation of Title 18, United States Code, Section 1344.

Count 3
(Financial Institution Fraud)

The Grand Jury further charges:

20. Paragraphs 1 through 8 of the general allegations are re-alleged and incorporated herein by reference.

21. From on or about September 13, 2005, through on or about December 20, 2005, in the Northern District of Ohio, Eastern Division, and elsewhere, defendant JOE SPAQI, aided and abetted by Anthony Raguz (not charged in this Indictment), knowingly executed and attempted to execute a scheme and artifice to defraud SPCFCU, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the control of SPCFCU, by means of false and fraudulent pretenses, representations, and promises.

22. It was part of the scheme and artifice to defraud that, on or about September 7, 2005, SPCFCU account number 50275 was opened jointly in the names of Luke Nue and SPAQI. From on or about September 13, 2005, through on or about December 20, 2005, SPAQI requested and obtained at least three loans from SPCFCU through its Chief Operating Officer, Anthony Raguz. SPAQI did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loans. Notwithstanding that SPAQI failed to follow established procedures and made false representations and promises to

obtain the loans, Raguz approved SPAQI for at least three loans, which totaled at least $299,000.00. Some of the loan proceeds were then deposited into separate share accounts maintained at SPCFCU.

23. It was a further part of the scheme and artifice to defraud that, from on or about September 13, 2005, through on or about December 20, 2005, Raguz caused SPCFCU to issue three official checks totaling approximately $299,000.00, to or on behalf of Luke Nue or SPAQI, drawn on loan accounts in the names Luke Nue or SPAQI. Some of the loan proceeds were then deposited into separate share accounts maintained at SPCFCU.

24. As a result of the scheme and artifice executed by JOE SPAQI, and aided and abetted by Anthony Raguz, SPCFCU and the NCUA suffered losses totaling approximately $299,000.00.

All in violation of Title 18, United States Code, Section 1344.

Count 4
(Financial Institution Fraud)

The Grand Jury further charges:

25. Paragraphs 1 through 8 of the general allegations are re-alleged and incorporated herein by reference.

26. On or about November 11, 2009, in the Northern District of Ohio, Eastern Division, and elsewhere, defendant JOE SPAQI, aided and abetted by Anthony Raguz (not charged in this Indictment), knowingly executed and attempted to execute a scheme and artifice to defraud SPCFCU, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the control of SPCFCU, by means of false and fraudulent pretenses, representations, and promises.

27. It was part of the scheme and artifice to defraud that on or about November 11,

2009, SPCFCU account number 70912 was opened in the name of Eclipse Bar & Grill. On or about November 11, 2009, SPAQI requested and obtained at least one loan from SPCFCU through its Chief Operating Officer, Anthony Raguz. SPAQI did not follow the established procedures for members to obtain such loans and he made false representations and promises to obtain the loan. Notwithstanding that SPAQI failed to follow established procedures and made false representations and promises to obtain the loan, Raguz approved SPAQI for at least one loan, which totaled at least $100,000.00. Some of the loan proceeds were then deposited into separate share accounts maintained at SPCFCU.

28. It was a further part of the scheme and artifice to defraud that, on or about November 11, 2009, Raguz caused SPCFCU to issue one official check totaling approximately $100,000.00 to SPAQI, drawn on a loan account in the name of Eclipse Bar & Grill. Some of the loan proceeds were then deposited into separate share accounts maintained at SPCFCU.

29. As a result of the scheme and artifice executed by JOE SPAQI, and aided and abetted by Anthony Raguz, SPCFCU and the NCUA suffered losses totaling approximately $100,000.00.

All in violation of Title 18, United States Code, Section 1344.

Count 5
(Money Laundering)

The Grand Jury further charges:

30. Paragraphs 1 through 8 of the general allegations and paragraphs 25 through 29 of Count 4 are re-alleged and incorporated herein by reference.

31. On or about November 11, 2009, in the Northern District of Ohio, Eastern Division, and elsewhere, defendant JOE SPAQI did knowingly engage in and attempt to engage in a monetary transaction affecting interstate commerce in criminally derived property of a value

greater than $10,000, such property having been derived from specified unlawful activity, that is, financial institution fraud, in violation of Title 18, United States Code, Section 1344, to wit: after SPAQI deposited fraudulent loan proceeds from the Eclipse Bar & Grill loan account into his personal share account numbered 70811-00, SPAQI caused SPCFCU to issue official check number 25963 in the amount of $21,328.97, payable to North Star Title.

All in violation of Title 18, United States Code, Section 1957.

Count 6
(Money Laundering)

The Grand Jury further charges:

32. Paragraphs 1 through 8 of the general allegations and paragraphs 25 through 29 of Count 4 are re-alleged and incorporated herein by reference.

33. On or about December 2, 2009, in the Northern District of Ohio, Eastern Division, and elsewhere, defendant JOE SPAQI did knowingly engage in and attempt to engage in a monetary transaction affecting interstate commerce in criminally derived property of a value greater than $10,000, such property having been derived from specified unlawful activity, that is, financial institution fraud, in violation of Title 18, United States Code, Section 1344, to wit: after SPAQI deposited fraudulent loan proceeds from the Eclipse Bar & Grill loan account into his personal share account numbered 70811-00, SPAQI caused SPCFCU to issue official check number 26367 in the amount of $25,000.00, payable to SPAQI's relative, W.S., which was negotiated at Huntington National Bank.

34. All in violation of Title 18, United States Code, Section 1957.

A TRUE BILL.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.