

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

FILED

JUN 27 2013

U. S. DISTRICT COURT
E. DIST. OF MO.
ST. LOUIS

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
) No.
 vs.)
)
 ELIZABETH GLOSEMEYER,)
)
 Defendant.)

4:13CR

00254RWS

INDICTMENT

COUNT I (Wire Fraud)

The Grand Jury charges that:

1. From at least January 1, 2009 until July 9, 2012 (the “relevant time period”), the Defendant was the office manager of Lenders Guarantee Title Company (“Lenders”) with offices in the City of St. Louis which lies with the Eastern District of Missouri. Lenders was in the business of, among other things, providing escrow account services to clients engaging in real estate transactions, primarily residential real estate transactions.

2. During 2009, after the financial crisis of 2008 had affected the real estate market across the country, Lenders’ profitability suffered. As the office manager, Defendant was responsible for the day to day operations of Lenders. Defendant was the highest paid employee of Lenders. At various times, Lenders cash flow was not sufficient to pay its bills and obligations as they came due.

3. Because of its work as an escrow agent for its clients, Lenders had access to a separate pool of funds in addition to those funds available to cover operations. Between 2009

and 2012 from time to time Defendant would take money from the Lenders escrow account to fund operations. This was possible because the escrow account had a “float,” that is, funds which were set aside to fund a specific client transaction but, at any given time, were not immediately needed to do so. Defendant would always see that specific transactions were funded out of the escrow account when required. However, as Defendant continued to take money out of the escrow account, a deficit in that fund grew. With many years of experience working at various title companies, Defendant knew that raiding the escrow account of a title company was an improper misappropriation of client funds.

4. During the relevant time period, Lenders issued title insurance through Stewart Title Guaranty Company and corresponded with a related entity called Stewart Financial Services (collectively “Stewart”). Because of this relationship and other financial relationships between Lenders and Stewart, Lenders was obligated to provide periodic financial statements to Stewart so that Stewart could be assured of Lenders’ financial soundness and operational integrity. Defendant knew that Stewart would not tolerate the raiding of the escrow account that she had undertaken. Therefore, Defendant altered the financial records of Lenders that were sent to Stewart for its review so that her raiding of the escrow account was covered up. Defendant personally altered Lenders financial documents to cover up her misappropriations before sending them to Stewart.

5. In the summer of 2012, Stewart initiated a routine financial and operational audit of Lenders and employed accounting and other financial professionals to perform the audit. During the course of this audit, the accountants discovered the deficit in the Lenders escrow account Defendant had created. Because Lenders did not meet the accounting and operational

standards Stewart required, Stewart rescinded Lenders' authority to write insurance through Stewart and the operations of Lenders ceased. Lenders failed to fund at least one real estate transaction for an amount in excess of \$200,000 due to the deficit in its escrow account. Because of the deficit in Lenders escrow account, Stewart funded this closing.

6. On or about March 5, 2012, in the Eastern District of Missouri, for the purpose of executing the foregoing scheme and artifice to defraud and to obtain money or property and attempting to do so,

ELIZABETH GLOSEMEYER,

the defendant herein, transmitted and caused to be transmitted signs, signals, pictures and sounds by means of wire, radio and television communications in interstate or foreign commerce, to wit: the interstate transmission of an electronic mail communication from Lenders Title Guarantee in Missouri to Stewart Financial Company in Texas which communication contained altered bank statements for Lenders Title Guarantee.

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

COUNT II (Wire Fraud)

7. The allegations contained in paragraphs 1 through 5 are hereby realleged and incorporated by reference.

8. On or about March 27, 2012, in the Eastern District of Missouri, for the purpose of executing the foregoing scheme and artifice to defraud and to obtain money or property and attempting to do so,

ELIZABETH GLOSEMEYER,

the defendant herein, transmitted and cause to be transmitted signs, signals, pictures and sounds

by means of wire, radio and television communications in interstate or foreign commerce, to wit: the interstate transmission of an electronic mail communication from Lenders Title Guarantee in Missouri to Stewart Financial Company in Texas which communication contained altered bank statements for Lenders Title Guarantee.

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

FORFEITURE ALLEGATION

The Grand Jury further finds probably cause that:

9. The allegations contained in paragraphs 1 through 8 are hereby realleged and incorporated by reference.

10. Pursuant to Title 18, United States Code Sections 981(a) and Title 28, United States Code Section 2461(c), upon conviction of an offense in violation of Title 18, United States Code, Section 1343 as set forth in Counts I and II, the defendant shall forfeit to the United States of America any property, real or personal, constituting or derived from any proceeds traceable to said offense.

a. Subject to forfeiture is a sum of money equal to the total value of any property, real or personal, constituting or derived from any proceeds traceable to the offense.

11. In any property described above, as a result of any act or omission of the defendant:

- 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 of America will be entitled to the forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

A TRUE BILL

FOREPERSON

RICHARD G. CALLAHAN
United States Attorney

THOMAS C. ALBUS, 46224MO
Assistant United States Attorney