

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

| | | |
|-----------------------------|---|------------------------------|
| UNITED STATES OF AMERICA |) | CRIMINAL NO. <u>2:11-595</u> |
| |) | 18 U.S.C. § 1349 |
| v. |) | 18 U.S.C. § 1956(h) |
| |) | 31 U.S.C. § 5324(a)(3) |
| JOHN CORNELIUS DANGERFIELD, |) | 18 U.S.C. § 2 |
| a/k/a Johnny Dangerfield |) | 18 U.S.C. § 981(a)(1)(C) |
| ROBERT GEORGE LOW, SR., |) | 18 U.S.C. § 982(a)(1) |
| DANIEL JAMES CORY CADDEN, |) | 28 U.S.C. § 2461(c) |
| LLOYD RAY HAYES |) | |
| JEFFREY MICHAEL BELSKY |) | <u>INDICTMENT</u> |

COUNT 1

THE GRAND JURY CHARGES:

1. From in or around July 2004, until in or around February 2009, in the District of South Carolina, JOHN CORNELIUS DANGERFIELD, a/k/a Johnny Dangerfield; ROBERT GEORGE LOW, SR.; DANIEL JAMES CORY CADDEN; LLOYD RAY HAYES; and JEFFREY MICHAEL BELSKY unlawfully, knowingly, and willfully did conspire, combine, confederate, and agree with each other and others known and unknown to the Grand Jury to execute and attempt to execute a scheme and artifice to defraud Fifth Third Bank (hereinafter "the Bank"), a financial institution with deposits insured by the Federal Deposit Insurance Corporation; and to obtain funds under the control of the Bank, by means of false and fraudulent pretenses and representations, in violation of Title 18, United States Code, Section 1344.

MANNER AND MEANS

2. At all times relevant to the indictment, JOHN CORNELIUS DANGERFIELD owned several car dealerships. These dealerships consisted of four Suzuki dealerships, located in Moncks Corner, Summerville, Myrtle Beach and Easley, SC; a Pontiac -Buick-

GMC dealership, located in Easley, SC; and a Subaru-Isuzu dealership, located in Charleston, SC (hereinafter "the Dealerships").

3. At all times relevant to the indictment, the Dealerships were under a "floor plan" agreement with the Bank. A "floor plan" is, generally, an agreement whereby a bank provides a line of credit to a car dealership that enables the dealership to purchase vehicles and offer them for sale. When the dealership sells a vehicle to a customer, the dealership is responsible for paying back the money extended to them under the floor plan, as well as an agreed upon amount of interest.

4. The Bank entered into a floor plan agreement with the collective Dealerships owned by DANGERFIELD. Under the agreement, the Dealerships were to pay back floor plan amounts they borrowed from the Bank. These funds were to be paid back to the Bank by the earlier of two dates - either two business days from funding, or ten days from the date of delivery (hereinafter "2/10 requirement"). If the Dealerships violated the 2/10 requirement, or made misrepresentations about conforming to the 2/10 requirement, the Bank could cancel the floor plan and stop loaning money to the Dealerships.

5. The Bank conducted routine audits of the Dealerships to ensure that the 2/10 requirement was being met. These audits helped the Bank determine whether the Dealerships were conforming to the floor plan agreement, and helped the Bank decide whether to continue with the floor plan agreement. The audit process included auditors taking an inventory of the cars held by the Dealerships, usually by physically counting the cars in the Dealerships' inventory. The auditors would then compare this physical inventory to the number of cars for which the Bank had provided floor plan funding. The auditors would inquire into the status of cars that had received floor plan funds, but were not located in the inventory.

6. It was part of the scheme that JOHN CORNELIUS DANGERFIELD, a/k/a Johnny Dangerfield; ROBERT GEORGE LOW, SR.; DANIEL JAMES CORY CADDEN; LLOYD RAY HAYES; and JEFFREY MICHAEL BELSKY made misrepresentations to the Bank during the audit process in order to conceal their failure to comply with the 2/10 requirement, and thereby maintain the floor plan agreement between the Bank and the Dealerships. These misrepresentations included, among others, creating false bills of sale that reflected a false sales date, and presenting them to the auditors, as well as withholding funding information. This made it appear that the vehicles had not been paid for by the customer, when, in fact, they had been. This also made it appear that the vehicles had been sold in conformance with the 2 /10 requirement, when, in fact, they had not been.

7. The Dealerships also received "incentive money" from American Suzuki Corporation ("Suzuki") for certain Suzuki vehicles they sold.

8. It was a part of the scheme that the dealerships would represent that a car was sold, and obtain incentive money from Suzuki for such cars, when the cars were not, in fact, sold. This involved providing information to Suzuki about buyers who had not, in fact, purchased a car. In one instance, LLOYD RAY HAYES represented that his dog had purchased a car.

9. It was a part of the scheme that, although they represented to Suzuki that a car had been sold, they did not make this representation to the Bank, nor did they inform the Bank that they were making such representations to Suzuki. Had the Bank known that the Dealerships were representing cars as sold, they would have required the Dealerships to comply with the 2/10 requirement.

10. Through this scheme and artifice, the Dealerships obtained floor plan funding totaling approximately \$3,800,000.00 for approximately 190 cars, sold the cars and then failed to pay to the Bank the floor plan amount allocated to such cars.

11. It was part of the scheme and artifice that the defendants would do and cause to be done the following:

a. JOHN CORNELIUS DANGERFIELD communicated information about audit dates so that false documents could be prepared to provide the auditors.

b. ROBERT GEORGE LOW, SR. communicated information about audit dates and sold vehicles so that false documents could be prepared to provide to the auditors.

c. LLOYD RAY HAYES, DANIEL JAMES CORY CADDEN, and JEFFREY MICHAEL BELSKY prepared false documents that were presented to the auditors.

All in violation of Title 18, United States Code, Section 1349.

COUNT 2

THE GRAND JURY FURTHER CHARGES:

1. From in or around July 2004, until in or around February 2009, in the District of South Carolina, JOHN CORNELIUS DANGERFIELD, a/k/a Johnny Dangerfield; ROBERT GEORGE LOW, SR.; DANIEL JAMES CORY CADDEN; LLOYD RAY HAYES; and JEFFREY MICHAEL BELSKY did knowingly combine, conspire, and agree with each other and with other persons known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section Section 1957, to wit: to knowingly engage and attempt to engage, in monetary transactions by,

through and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is the transfer of funds, such property having been derived from specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Section 1957.

MANNER AND MEANS

2. The manner and means used to accomplish the objectives of the conspiracy included, among others, the following:

- a. Count 1 is hereby incorporated by reference.
- b. The Dealerships obtained floor plan funds from the Bank and used these funds to purchase vehicles (hereinafter "the Vehicles") in amounts of \$10,000 or more, passing title to the Dealerships.
- c. The Vehicles purchased using the floor planned funds were transported to the Dealerships and sold, with the Dealerships receiving payment.
- d. Although The Dealerships received payment for the Vehicles, the Bank was not repaid for amounts extended through the floor plan.
- e. The money received from customers upon the sale of the Vehicles was used to pay DANGERFIELD's other business and personal expenses.

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

COUNTS 3-5

THE GRAND JURY FURTHER CHARGES:

On or about the below listed dates, in the District of South Carolina, JOHN CORNELIUS DANGERFIELD, a/k/a Johnny Dangerfield, did knowingly and for the purpose of evading the reporting requirements of Section 5313(a) of Title 31, United States Code, and the regulations promulgated thereunder, structure and assist in structuring the following transactions with a domestic financial institution, and the defendant did so while violating another law of the United States and as part of a pattern of illegal activity involving more than \$100,000 in a 12-month period:

| <u>Count</u> | <u>Date</u> | <u>Description of Transaction</u> |
|--------------|-------------|-----------------------------------|
| 3 | 8/19/2008 | \$7,500.00 cash deposit |
| 4 | 8/22/2008 | \$8,000.00 cash deposit |
| 5 | 8/25/2008 | \$4,150.00 cash deposit |

All in violation of Title 31, United States Code, Section 5324(a)(3); Title 31, Code of Federal Regulations, Section 103.11; and Title 18, United States Code, Section 2.

FORFEITURE

A. Upon conviction for one or more violations of 18 U.S.C. §§ 1349 and 1956 as charged in this Indictment, the Defendants, JOHN CORNELIUS DANGERFIELD, a/k/a Johnny Dangerfield; ROBERT GEORGE LOW, SR.; DANIEL JAMES CORY CADDEN; LLOYD RAY HAYES; and JEFFREY MICHAEL BELSKY, shall forfeit to the United States any property, real or personal, which constitutes or is derived from any proceeds the Defendants obtained, directly or indirectly, as the result of such violations and any property involved in or traceable to such property.

B. Pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461(c), the property which is subject to forfeiture upon conviction of the Defendants, JOHN CORNELIUS DANGERFIELD, a/k/a Johnny Dangerfield; ROBERT GEORGE LOW, SR.; DANIEL JAMES CORY CADDEN; LLOYD RAY HAYES; and JEFFREY MICHAEL BELSKY, for violations charged in the Indictment includes, but is not limited to, the following:

- C. (1) Cash Proceeds/ Money Judgment:
A sum of money equal to all proceeds the defendants obtained directly or indirectly as the result of the offenses charged in the Indictment, involved in or traceable to such property, that is a minimum of \$3,894,152.25 in United States currency, for which the defendants are jointly and severally liable;

D. SUBSTITUTION OF ASSETS:

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the Defendants –

1. cannot be located upon the exercise of due diligence;
2. has been transferred or sold to, or deposited with, a third person;
3. has been placed beyond the jurisdiction of the Court;
4. has been substantially diminished in value; or
5. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18 U.S.C. § 982(b)(1), incorporating 21, U.S.C. § 853(p), to seek forfeiture of any other property of the Defendants up to an amount equivalent to the value of the above-described forfeitable property;

Pursuant to 18 U.S.C. § 981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461(c).

A True BILL

FOREPERSON


WILLIAM N. NETTLES (NSW)
UNITED STATES ATTORNEY

RECORD OF GRAND JURY BALLOT

C/ 2:11-595

THE UNITED STATES v. JOHN CORNELIUS DANGERFIELD

a/k/a Johnny Dangerfield

ROBERT GEORGE LOW, SR.

DANIEL JAMES CORY CADDEN

LLOYD RAY HAYES

JEFFREY MICHAEL BELSKY

(SEALED UNTIL FURTHER ORDER OF THE COURT)