

## UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN NORTHERN DIVISION

## UNITED STATES OF AMERICA,

Plaintiff,

٧.

Case: 1:14-cr-20216

Judge: Ludington, Thomas L.

MJ: Binder, Charles E.

Filed: 04-09-2014 At 03:24 PM

D-1 STEVEN J. INGERSOLL, D-2 DEBORAH M. INGERSOLL. D-3 GAYLE R. INGERSOLL, D-4 ROY C. BRADLEY, SR., D-5 TAMMY S. BRADLEY

Defendants.

## <u>INDICTMENT</u>

### THE GRAND JURY CHARGES:

## Count 1 (18 U.S.C. §1349)

- D-1 STEVEN J. INGERSOLL,
- D-2 DEBORAH M. INGERSOLL,
- D-3 GAYLE R. INGERSOLL.
- D-4 ROY C. BRADLEY, SR.,
- D-5 TAMMY S. BRADLEY

From on or about April of 2010 to on or about June 30, 2011, in the Eastern District of Michigan, Northern Division and elsewhere, Steven J. Ingersoll, Deborah M. Ingersoll, Gayle R. Ingersoll, Roy C. Bradley, Sr., and Tammy S. Bradley, defendants herein, knowingly conspired to defraud a financial institution and to obtain some of the moneys, funds and assets owned by and under the custody and

control of a financial institution, by means of false and fraudulent pretenses, representations and promises, contrary to 18 U.S.C.§1344, and in violation of 18 U.S.C.§1349.

### **GENERAL ALLEGATIONS**

It was a part of the conspiracy that Steven J. Ingersoll and Roy C. Bradley, Sr., combined their efforts to induce Chemical Bank, an FDIC insured depository institution, to approve a construction line of credit loan, the proceeds of which were to be used to fund the conversion of a church building in Bay City, Michigan, into a school building to be used by the Bay City Academy.

It was a further part of the conspiracy that Steven Ingersoll, Roy Bradley, Gayle R. Ingersoll, Deborah M. Ingersoll, and Tammy S. Bradley engaged in a series of transactions that diverted part of the Chemical Bank construction loan proceeds away from the construction project and to a joint, personal bank account in the name of Steven Ingersoll and Deborah Ingersoll at Fifth-Third Bank.

## **OVERT ACTS**

The following acts were committed in furtherance of the conspiracy:

- In the spring of 2010, Steven J. Ingersoll purchased a church in Bay
   City, Michigan.
- 2. In October of 2010, Steven Ingersoll entered into a construction contract with Roy C. Bradley, Sr., the owner of a construction company, to convert the church into a school for use by the Bay City Academy.

- 3. In January of 2011, using the construction contract signed by Roy Bradley and acting on behalf of Madison Arts LLC, Steven Ingersoll obtained a \$1.8 million construction line of credit loan from Chemical Bank in Bay City, Michigan, a loan guaranteed by the U.S. Department of Agriculture, supposedly to fund the conversion of the church into a school.
- 4. Also in January of 2011, and to obtain the \$1.8 million loan from Chemical Bank, Steven Ingersoll signed a promissory note on behalf of Madison Arts, LLC.
- 5. In February of 2011, Roy Bradley signed documentation that Steven Ingersoll used to obtain a \$508,000 advance from Chemical Bank as part of the construction loan proceeds.
- 6. In February of 2011, Steven Ingersoll deposited \$508,000 of the construction loan proceeds into a Madison Arts bank account at Chemical Bank controlled by Steven Ingersoll.
- 7. Also in February of 2011, Steven Ingersoll issued a check for \$100,000, drawn on the Madison Arts bank account and payable to Roy Bradley that was subsequently deposited into Bradley's construction company's bank account.
- 8. Also in February of 2011, Steven Ingersoll obtained a \$400,000 cashier's check, payable to Roy Bradley, using money from the Madison Arts bank account at Chemical Bank.

- 9. The \$400,000 cashier's check was deposited into Bradley's construction company's bank account in February of 2011.
- 10. Also in February of 2011, Roy Bradley wrote a \$200,000 check that was drawn on his construction company's bank account and payable to Gayle R. Ingersoll, the owner of a subcontracting company.
- 11. Also in February of 2011, Gayle Ingersoll deposited the \$200,000 check from Roy Bradley into a financial account and wrote a check for \$200,000 to Steven Ingersoll.
- 12. The \$200,000 check from Gayle Ingersoll was deposited into a joint, personal bank account owned by Steven Ingersoll and Deborah Ingersoll at Fifth-Third Bank in February of 2011.
- 13. In February of 2011, Tammy Bradley withdrew almost \$100,000 in cash from the construction company's bank account.
- 14. Still in February of 2011, Roy Bradley and Tammy Bradley closed the construction company's bank account and opened a business account at a credit union.
- 15. During the last week of May in 2011, Deborah Ingersoll made three \$9,000 cash deposits into a personal bank account she held jointly with Steven Ingersoll at Fifth-Third Bank, using different branches of the bank to make the deposits.

- 16. In May of 2011, Roy Bradley wrote a \$30,000 check, payable to Gayle Ingersoll, against Roy Bradley and Tammy Bradley's construction company's credit union account.
- 17. Also in May of 2011, Gayle Ingersoll deposited the \$30,000 check from Bradley and wrote a check for \$30,000 to Steven Ingersoll.
- 18. On or about June 1, 2011, Deborah Ingersoll deposited the \$30,000 check from Gayle Ingersoll and \$9,000 cash into the joint, personal bank account she shared with Steven Ingersoll at Fifth-Third Bank.
- 19. In June of 2011, Roy Bradley and Steven Ingersoll submitted draw requests totaling \$704,000 to Chemical Bank, causing Chemical Bank to transfer\$704,000 to the Madison Arts account at Chemical Bank on or about June 29, 2011.
- 20. In June of 2011, Steven Ingersoll initiated an electronic funds transfer of \$704,000 to Roy Bradley and Tammy Bradley's construction company's credit union account.
- 21. Also in June of 2011, Tammy Bradley initiated an electronic funds transfer of \$704,000 from the construction company's credit union account to Gayle Ingersoll's business account.
- 22. Also in June of 2011, Gayle Ingersoll initiated an electronic funds transfer of \$704,000 to Steven Ingersoll and Deborah Ingersoll's joint, personal bank account at Fifth-Third Bank.

23. On or about June 30, 2011, Steven Ingersoll sought to use part of the Chemical Bank construction loan proceeds that had been diverted to his joint, personal Fifth-Third Bank account to reduce his indebtedness to the Grand Traverse Academy resulting from advances Steven Ingersoll had made to himself from funds belonging to the Grand Traverse Academy.

All in violation of 18 U.S.C. §1349.

Count 2 (18 U.S.C. §371)

D-1 STEVEN J. INGERSOLL, D-3 GAYLE INGERSOLL, D-4 ROY C. BRADLEY, SR.,

From on or about April of 2010 to on or about October 15, 2012, in the Eastern District of Michigan, Northern Division and elsewhere, Steven J. Ingersoll, Gayle R. Ingersoll, and Roy C. Bradley, Sr., defendants herein, knowingly conspired with each other and others both known and unknown to the grand jury to defraud the United States and the Internal Revenue Service of the Department of the Treasury, an agency of the United States, by impeding and obstructing the functions of the Internal Revenue Service and evading the payment of taxes owed, in violation of 18 U.S.C. §371.

### **GENERAL ALLEGATIONS**

It was a part of the conspiracy that Steven Ingersoll, Roy Bradley and Gayle Ingersoll, and others, engaged in a series of transactions to conceal that part of the

proceeds of a construction loan, which were supposed to be used to fund the conversion of a church building in Bay City, Michigan, into a school building to be used by the Bay City Academy, were diverted away from the construction project and converted into personal income for Steven Ingersoll.

It was a further part of the conspiracy that Gayle Ingersoll and Steven Ingersoll filed false federal income tax returns for the 2011 tax year and thereby sought to evade the tax consequences of the transactions they had engaged in during the course of the conspiracy.

It was a further part of the conspiracy that Roy Bradley and Tammy Bradley paid their construction company's workers in cash and did not report the wages that they paid to their company's workers via Form 1099s or W-2s, thereby concealing the earnings information regarding those workers from the United States.

### OVERT ACTS

The following acts were committed in furtherance of the conspiracy:

- In the spring of 2010, Steven J. Ingersoll purchased a church in Bay
   City, Michigan.
- 2. In October of 2010, Steven Ingersoll entered into a construction contract with Roy C. Bradley, Sr., the owner of a construction company, to convert the church into a school for use by the Bay City Academy.
- 3. In January of 2011, acting on behalf of Madison Arts LLC, Steven Ingersoll obtained a \$1.8 million construction line of credit loan from Chemical

Bank in Bay City, Michigan, a loan guaranteed by the U.S. Department of Agriculture, supposedly to fund the conversion of the church into a school.

- 4. In February of 2011, Steven Ingersoll obtained a \$508,000 advance from Chemical Bank as part of the construction loan proceeds.
- 5. In February of 2011, Steven Ingersoll deposited \$508,000 of the construction loan proceeds into a Madison Arts bank account controlled by him.
- 6. Also in February of 2011, Steven Ingersoll issued a check for \$100,000, drawn on a Madison Arts bank account and payable to Roy Bradley that was subsequently deposited into Bradley's construction company's bank account.
- 7. Also in February of 2011, Steven Ingersoll obtained a \$400,000 cashier's check, payable to Roy Bradley, using money from a Madison Arts bank account.
- 8. The \$400,000 cashier's check was deposited into Bradley's construction company's bank account in February of 2011.
- 9. Also in February of 2011, Roy Bradley wrote a \$200,000 check that was drawn on his construction company's bank account and payable to Gayle R. Ingersoll, the owner of a subcontracting company.
- 10. Also in February of 2011, Gayle Ingersoll deposited the \$200,000 check from Roy Bradley into a financial account and wrote a check for \$200,000 to Steven Ingersoll.

- 11. Steven Ingersoll deposited the \$200,000 check from Gayle Ingersoll into a joint, personal bank account in February of 2011.
- 12. In February of 2011, Tammy Bradley withdrew almost \$100,000 in cash from the construction company's bank account.
- 13. Still in February of 2011, Roy Bradley and Tammy Bradley opened a business account at a credit union.
- 14. In May of 2011, Deborah Ingersoll made three \$9,000 cash deposits into a personal bank account held jointly with Steven Ingersoll, using different branches of the bank to make the deposits.
- 15. In May of 2011, Roy Bradley wrote a \$30,000 check, payable to Gayle Ingersoll, against Bradley's construction company's credit union account.
- 16. Also in May of 2011, Gayle Ingersoll deposited the \$30,000 check from Bradley and wrote a check for \$30,000 to Steven Ingersoll.
- 17. In June of 2011, Deborah Ingersoll deposited the \$30,000 check from Gayle Ingersoll and \$9,000 cash into the joint, personal bank account she shared with Steven Ingersoll.
- 18. In June of 2011, Roy Bradley and Steven Ingersoll submitted draw requests totaling \$704,000 to Chemical Bank, causing Chemical Bank to transfer \$704,000 to the Madison Arts account at Chemical Bank.
- 19. In June of 2011, Steven Ingersoll initiated a wire transfer of \$704,000 to Bradley's construction company's credit union account.

- 20. Also in June of 2011, Tammy Bradley initiated a wire transfer of \$704,000 from the construction company's credit union account to Gayle Ingersoll's business account.
- 21. Also in June of 2011, Gayle Ingersoll initiated a wire transfer of \$704,000 to Steven Ingersoll's joint, personal bank account.
- 22. Roy Bradley and Tammy Bradley paid the construction workers they employed in cash and did not report the wages paid to their workers for converting the church into a school to the Internal Revenue Service or the Social Security Administration.
- 23. Gayle Ingersoll filed a federal income tax return for 2011, reporting that \$934,000 in gross-receipts were paid to his subcontracting business but falsely claiming that \$934,000 were paid to other subcontractors, when the \$934,000 actually were given to Steven Ingersoll and deposited into Steven Ingersoll's joint, personal bank account.
- 24. Steven Ingersoll filed a federal income tax return for the 2011 tax year on or about October 15, 2012, but did not report the \$934,000 he had received through the acts described above, thereby attempting to evade the federal tax due and owing on that unreported income.

All in violation of 18 U.S.C. §371.

# **Count 3** (18 U.S.C. §1343)

### D-1 STEVEN J. INGERSOLL

On or about June 29, 2011, in the Eastern District of Michigan, Northern Division, Steven J. Ingersoll, defendant herein, having devised and intending to devise a scheme to defraud and for obtaining money by false and fraudulent pretenses, did knowingly transmit and cause the transmission of writings, signs and signals by means of wire communication in interstate commerce for the purpose of executing the scheme, that is an electronic funds transfer of \$704,000 of construction loan proceeds from the Madison Arts account at Chemical Bank to Roy Bradley and Tammy Bradley's construction company's account at Catholic Federal Credit Union, in violation of 18 U.S.C. §1343.

## Count 4 (18 U.S.C. §1343)

D-1 STEVEN J. INGERSOLL, D-5 TAMMY S. BRADLEY

On or about June 30, 2011, in the Eastern District of Michigan, Northern Division, Steven J. Ingersoll and Tammy S. Bradley, defendants herein, having devised and intending to devise a scheme to defraud and for obtaining money by false and fraudulent pretenses, did knowingly transmit and cause the transmission of writings, signs and signals by means of wire communication in interstate commerce for the purpose of executing the scheme, that is, an electronic funds transfer of

\$704,000 of construction loan proceeds from Roy Bradley and Tammy Bradley's construction company's Catholic Federal Credit Union account to Gayle R. Ingersoll's business account at United Bay Community Credit Union, in violation of 18 U.S.C. §1343.

# Count 5 (18 U.S.C. §1343)

D-1 STEVEN J. INGERSOLL, D-3 GAYLE R. INGERSOLL

On or about June 30, 2011, in the Eastern District of Michigan, Northern Division, Steven J. Ingersoll and Gayle R. Ingersoll, defendants herein, having devised and intending to devise a scheme to defraud and for obtaining money by false and fraudulent pretenses, did knowingly transmit and cause the transmission of writings, signs and signals by means of by means of wire communication in interstate commerce for the purpose of executing the scheme, that is, an electronic funds transfer of \$704,000 of construction loan proceeds from Gayle R. Ingersoll's business account at United Bay Community Credit Union to Steven Ingersoll's personal bank account at Fifth-Third Bank, in violation of 18 U.S.C. §1343.

## Count 6 (26 U.S.C. §7201)

### D-1 STEVEN J. INGERSOLL

On or about May 11, 2010, in the Eastern District of Michigan, Northern Division, Steven J. Ingersoll, defendant herein, did willfully attempt to evade and defeat

a large part of the income tax due and owing by him and his wife to the United States of America for the calendar year 2009, by causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service. In that false income tax return, Steven Ingersoll stated that his and his wife's taxable income for the calendar year was the sum of \$278,377, and that the amount of tax due and owing thereon was the sum of \$77,722, when in fact, as Steven Ingersoll then and there knew, their taxable income for calendar year 2009 was substantially in excess of the amount stated on the return, and, upon the additional taxable income, a substantial additional tax was due and owing to the United States of America, in violation of 26 U.S.C. §7201.

## Count 7 (26 U.S.C. §7201)

### D-1 STEVEN J. INGERSOLL

Between on or about October 21, 2011 and on or about April 5, 2012, in the Eastern District of Michigan, Northern Division, Steven J. Ingersoll, defendant herein, did willfully attempt to evade and defeat a large part of the income tax due and owing by him and his wife to the United States of America for the calendar year 2010, by causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service. In that false income tax return, Steven Ingersoll stated that his and his wife's taxable income for the calendar year was the sum of \$197,225, and that the

amount of tax due and owing thereon was the sum of \$49,351, when in fact, as Steven Ingersoll then and there knew, their taxable income for calendar year 2010 was substantially in excess of the amount stated on the return, and, upon the additional taxable income, a substantial additional tax was due and owing to the United States of America, in violation of 26 U.S.C. §7201.

Dated: April 9, 2014

BARBARA L. McQUADE United States Attorney

s/Janet L. Parker
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#### THIS IS A TRUE BILL

s/Grand Jury Foreperson
GRAND JURY FOREPERSON

s/Craig F. Wininger CRAIG F. WININGER (P-57058) Assistant U.S. Attorney Branch Offices Chief

1:14-cr-20216-TLL-CEB Doc # 3 \*SEALED\* Filed 04/10/14 Pg 15 of 15 Pg ID 17 Companion Case information MUST be completed by AUSA and initialed **United States District Court** Criminal Case Cover Sheet **Case Number** Eastern District of Michigan NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to complete it accurately in all respects. Reassignment/Recusal Information This matter was opened in the USAO prior to August 15, 2008 [ ]deline and the control of the contro Companion Case Number: This may be a companion case based upon LCrR 57.10 (b)(4)1: Judge Assigned: ☐ Yes □ No AUSA's Initials: JLP Case Title: USA v. STEVEN J. INGERSOLL, ET AL, County where offense occurred: Bay County Check One: Felony X Misdemeanor □ Petty □ X Indictment/ Information --- no prior complaint. Indictment/ Information --- based upon prior complaint [Case number: \_ Information --- based upon LCrR 57.10 (d) [Complete Superseding section below]. Indictment/ Superseding Case Information Superseding to Case No: Judge: Original case was terminated; no additional charges or defendants. Corrects errors: no additional charges or defendants. Involves, for plea purposes, different charges or adds counts. Embraces same subject matter but adds the additional defendants or charges below: Defendant name Charges Prior Complaint (if applicable) Please take notice that the below listed Assistant United States Attorney is the attorney of record for

the above captioned case.

Date

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<sup>1</sup> Companion cases are matters in which it appears that (1) substantially similar evidence will be offered at trial, (2) the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.