

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA            )     No. \_\_\_\_\_  
  )     Violation: Title 18, United  
  )     States Code, Section 1343  
  )  
  )  
v.    )  
  )  
GAIL HOWARD,                                )  
                  aka Betty Gail Howard, and    )  
JAMES JEDYNAK                                )

COUNT ONE

The SPECIAL AUGUST 2009-2 GRAND JURY charges:

1. At all times material to this indictment:

(a) Unified Worldwide Transport, LLC (“UWT”), was a California limited liability company purportedly engaged in the business of routing voice-over-internet protocol (“VOIP”) telecommunications traffic. UWT’s offices were located in California and New York.

(b) UWT sold equity shares to investors through private placement offerings.

(c) Defendant GAIL HOWARD was UWT’s President and Chief Executive Officer.

(d) Defendant JAMES JEDYNAK was UWT’s Senior Vice President and Head Operations and Sales Executive, responsible for recruiting individuals and entities to invest money into UWT.

2. Beginning no later than in or about 2003, and continuing until at least in or about 2007, in the Northern District of Illinois, Eastern Division, and elsewhere,

GAIL HOWARD and  
JAMES JEDYNAK,

defendants herein, devised and intended to devise a scheme to defraud investors, prospective investors, and lenders, and to obtain money from investors, prospective investors, and lenders, by

means of materially false and fraudulent pretenses, representations, and promises, and by material omissions.

3. It was part of the scheme that defendants HOWARD and JEDYNAK raised over approximately \$30,000,000 through the fraudulent offer and sale of investment interests in and loans to UWT. In offering and selling investment interests, and in requesting loans, the defendants falsely represented, and caused to be falsely represented, information about the use of funds that were to be raised and were in fact raised from investors and lenders, the risks involved in investments in and loans to UWT, the financial condition of UWT, the status of UWT's business, the educational and business background of UWT's President, defendant HOWARD, and the status of investments and loans. Moreover, defendants misappropriated for their own benefit more than \$12,000,000 raised from investors and lenders.

4. It was further part of the scheme that defendants HOWARD and JEDYNAK falsely represented, and caused to be represented, to investors, prospective investors, and lenders in UWT, that investments and loans would be used to acquire telecommunications routes, build network infrastructure, provide working capital, repay debt, and purchase licenses and equipment, among other things. Instead, the defendants intended to, and did, misappropriate over \$12,000,000 of investors' and lenders' funds for their own use and benefit. Defendants misappropriated the funds in order to purchase luxury goods and services, such as a swimming pool, a boat, jewelry, and plastic surgery, to pay for home improvements, to make payments to friends and relatives, to make personal investments, to purchase real estate, and to fund outside business interests, among other things.

5. It was further part of the scheme that defendants HOWARD and JEDYNAK falsely represented and caused to be falsely represented to investors, prospective investors, and lenders, that

UWT had a contract with the Caterpillar Corporation, a Fortune 500 Company headquartered in Peoria, Illinois. Defendants HOWARD and JEDYNAK falsely represented that Caterpillar owed UWT a significant amount of money, and caused UWT to experience a substantial increase in revenues. However, there was no contract with Caterpillar, nor did Caterpillar owe money to UWT, or cause an increase in UWT's revenues.

6. It was further part of the scheme that defendants HOWARD and JEDYNAK intentionally concealed, and caused to be intentionally concealed, from investors, prospective investors, and lenders, their misappropriation of investors' and lenders' funds. For instance, defendant JEDYNAK represented to prospective investors and investors that he would receive no compensation from UWT until investors received all of their principal back, when in fact, both defendants intended to, and did, misappropriate a substantial amount of investors' funds.

7. It was further part of the scheme that defendant HOWARD falsely represented and caused to be falsely represented to investors, prospective investors, and lenders, defendant HOWARD's educational and business background. For example, defendant HOWARD informed investors, prospective investors, and lenders that she had a law degree from the University of Arkansas, a master's degree in business administration from the University of Texas, and had worked as an Arkansas state prosecutor, none of which was true.

8. It was further part of the scheme that defendants HOWARD and JEDYNAK misrepresented and intentionally concealed, and caused to be misrepresented and intentionally concealed, the financial condition of UWT. For example, the information and financial statements defendants HOWARD and JEDYNAK distributed to certain investors contained false information

about a purported account receivable Caterpillar allegedly owed UWT. In fact, Caterpillar never owed UWT money for an account receivable.

9. It was further part of the scheme that defendants HOWARD and JEDYNAK misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the purposes of the scheme, and the acts done in furtherance of the scheme.

10. As a result of the scheme, defendants HOWARD and JEDYNAK fraudulently obtained over approximately \$30,000,000 in investments and loans from approximately 70 investors and lenders, and misappropriated for their own benefit over approximately \$12,000,000.

11. On or about September 29, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GAIL HOWARD and  
JAMES JEDYNAK,

defendants herein, for the purpose of executing the above-described scheme, knowingly transmitted, and caused to be transmitted, by means of wire communication in interstate commerce between Texas and Chicago, Illinois, certain writings, signs, and signals, namely, the wire transfer of funds in the amount of approximately \$600,000 from Comerica Bank in Dallas, Texas, to Harris Bank in Chicago, Illinois, which funds represented investments by Investors A, B, and C in UWT;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWO

The SPECIAL AUGUST 2009-2 GRAND JURY further charges:

1. Paragraphs 1 through 11 of this indictment are incorporated and realleged as though fully set forth herein.
2. On or about September 30, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GAIL HOWARD and  
JAMES JEDYNAK,

defendants herein, for the purpose of executing the above-described scheme, knowingly transmitted, and caused to be transmitted, by means of wire communication in interstate commerce between Chicago, Illinois and California, certain writings, signs, and signals, namely, the wire transfer of funds in the amount of approximately \$600,000 from Harris Bank in Chicago, Illinois, to Torrey Pines Bank in San Diego, California, which funds represented investments into UWT;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT THREE

The SPECIAL AUGUST 2009-2 GRAND JURY further charges:

1. Paragraphs 1 through 11 of this indictment are incorporated and realleged as though fully set forth herein.

2. On or about October 6, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GAIL HOWARD and  
JAMES JEDYNAK,

defendants herein, for the purpose of executing the above-described scheme, knowingly transmitted, and caused to be transmitted, by means of wire communication in interstate commerce between Illinois and California, certain writings, signs, and signals, namely, the wire transfer of funds in the amount of approximately \$100,000 from Harris Bank in Chicago, Illinois, to Torrey Pines Bank in San Diego, California, which funds represented investments in UWT;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FOUR

The SPECIAL AUGUST 2009-2 GRAND JURY further charges:

1. Paragraphs 1 through 11 of this indictment are incorporated and realleged as though fully set forth herein.

2. On or about February 7, 2006, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GAIL HOWARD and  
JAMES JEDYNAK,

defendants herein, for the purpose of executing the above-described scheme, knowingly transmitted, and caused to be transmitted, by means of wire communication in interstate commerce between Iowa and Chicago, Illinois, certain writings, signs, and signals, namely, the wire transfer of funds in the amount of approximately \$1,650,000 from Wells Fargo Bank in Des Moines, Iowa to Harris Bank in Chicago, Illinois, which funds represented a loan by Investor D to UWT;

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT FIVE

The SPECIAL AUGUST 2009-2 GRAND JURY further charges:

1. Paragraphs 1 through 11 of this indictment are incorporated and realleged as though fully set forth herein.

2. On or about February 8, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

GAIL HOWARD and  
JAMES JEDYNAK,

defendants herein, for the purpose of executing the above-described scheme, knowingly transmitted, and caused to be transmitted, by means of wire communication in interstate commerce between Chicago, Illinois and California, certain writings, signs, and signals, namely, the wire transfer of funds in the amount of approximately \$1,600,000 from Harris Bank in Chicago, Illinois, to Torrey Pines Bank in San Diego, California, which funds represented a portion of a loan by Investor D to UWT;

In violation of Title 18, United States Code, Sections 1343 and 2.

## **FORFEITURE ALLEGATION**

The SPECIAL AUGUST 2009-2 GRAND JURY further charges:

1. The allegations contained in Counts One through Five of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A).

2. As a result of their violations of Title 18, United States Code, Section 1343, as alleged in the foregoing indictment,

GAIL HOWARD and JAMES JEDYNAK,

defendants herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any and all right, title, and interest they may have in any property, real and personal, constituting, and derived from, proceeds obtained, directly and indirectly, from their wire fraud, namely, a total of approximately \$27,000,000.

3. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendants:

- (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 shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United

States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 982(a)(2)(A).

A TRUE BILL:

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FOREPERSON

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UNITED STATES ATTORNEY