

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

UNITED STATES OF AMERICA)
) Cause No. _____
 v.)
) 18 USC § 666(a)(1)(A)
 GEORGE PABEY) 18 USC § 371
 JOSE CAMACHO) 18 USC § 1512(b)(3)

INDICTMENT

THE GRAND JURY CHARGES:

COUNT 1
(Conspiracy)

1. From on or about October 1, 2007, through on or about August 31, 2008, in the Northern District of Indiana,

GEORGE PABEY
and
JOSE CAMACHO,

defendants herein did knowingly and intentionally combine, conspire, confederate and agree one with another and with other persons known and unknown to the Grand Jury, to commit the following offense against the United States: to embezzle, steal, obtain by fraud and otherwise without authority convert to the use of persons other than the rightful owners, property and services valued at \$5,000 or more and owned by or under the care, custody, and control of the City of East Chicago, a local government that received benefits in excess of \$10,000 under federal programs and assistance from October 1, 2007 to October 1, 2008, in violation of Title 18, United States Code, Section 666(a)(1)(A).

2. The object of the conspiracy was to financially benefit George Pabey and his daughter by improvements done on a residence owned by George Pabey and his daughter in the Miller section of Gary, Indiana (from herein, “the Miller residence”) using the following: skilled labor, materials (paint, brushes, rollers, tarps), and equipment (city cell phones, vehicles, cement mixer) of the City of East Chicago; and using materials purchased and paid for by the City of East Chicago.

3. At all times material to the indictment the City of East Chicago, Indiana was a local government that received federal assistance in excess of \$10,000 during the one year period beginning October 1, 2007 and ending October 1, 2008.

4. At all times material to the indictment the defendant, Jose Camacho, was an agent of the City of East Chicago, Indiana, in that he served as a supervisor/division manager in the City of East Chicago.

5. At all times material to the indictment the defendant, George Pabey, was the elected Mayor of the City of East Chicago, Indiana.

6. On or about December 5, 2007, Mayor George Pabey and his daughter purchased a single family residence located at 8530 Locust Avenue in the Miller section of Gary, Indiana. The purchase price of the residence was \$67,000.

7. At all times material to the indictment Witness 1, Witness 2, Witness 3 and Witness 4 were skilled laborers employed by the City of East Chicago.

8. During the course of the conspiracy Witness 1, Witness 2, Witness 3 and Witness 4, all employees of the City of East Chicago, were directed by their supervisor, Jose Camacho, to do work at the Miller residence. Witness 1, Witness 2, Witness 3 and Witness 4 did a variety of

skilled manual labor tasks at the Miller Residence during the course of the conspiracy, including the mixing and pouring of concrete and painting the inside of the residence. This occurred during the workweek and during the workday, while Witness 1, Witness 2, Witness 3 and Witness 4 were “on the clock” and being paid by the City of East Chicago.

9. During the course of the conspiracy Jose Camacho also took Witness 5, another skilled laborer employed by the City of East Chicago to the Miller residence. Witness 5 examined the work to be done at the residence while Witness 5 was “on the clock” and being paid by the City of East Chicago, but decided on his own, and not at the suggestion of Jose Camacho, to come back and do the requested work on his own personal time, and without compensation, after work hours.

10. At no point in time did Jose Camacho instruct Witnesses 1, 2, 3 or 4 to take “comp time” or personal leave in order to work on the Miller residence. Jose Camacho, as the supervisors of Witnesses 1, 2, 3 and 4 knew that these City of East Chicago employees were “on the clock” while working at the Miller residence.

11. During the course of the conspiracy Jose Camacho worked at the Miller residence on multiple days while he was “on the clock” and being paid by the City of East Chicago. A review of Camacho’s personnel records indicates that he only requested compensatory or personal leave on two days during the relevant time period, and he used those days for personal vacation. Therefore, Camacho would have been paid more than \$5,000 by the City of East Chicago for the time that he was working at the Miller residence.

12. During the course of the conspiracy George Pabey was personally present on multiple occasions, during the workday, while Witness 3 was painting in the Miller residence. Witness 3

is personally known to George Pabey, and George Pabey knows that Witness 3 is an employee of the City of East Chicago.

13. During the course of the conspiracy Jose Camacho had the authority and ability to purchase items at the Menards store in Hammond, Indiana, at the Home Depot store in Hammond, and at Joseph's Hardware in East Chicago, Indiana on a City of East Chicago Engineering Department account. During the course of the conspiracy Jose Camacho purchased items at the Hammond Menards store, the Hammond Home Depot store and Joseph's Hardware in East Chicago and installed them or had them installed at his direction in the Miller residence. These items include brass half moon doors, door knobs, a 40 gallon gas heater, a bathtub, a bathtub surround, an oak door, a laundry faucet, a six panel door, a bath fan, wall sconces, towel bars, door handles and storm doors. In total, Jose Camacho purchased over \$5,000 worth of items at the Hammond Menards, the Hammond Home Depot and Joseph's Hardware in East Chicago that were installed in the Miller residence.

14. Jose Camacho told Witness 1 not to tell anyone that Witness 1 worked on the Miller residence. Later, after it had been discovered that the Federal Bureau of Investigation ("FBI") was investigating this matter, Jose Camacho instructed Witness 1 to lie to Federal Investigators and tell them that Witness 1 had worked at the Miller residence on the weekends, and did not get paid. Jose Camacho told Witness 2 that working at the Miller residence was a "special assignment," and that Witness 2 should not spread any rumors about it. When Witness 3 voiced concern to Jose Camacho that they were working at George Pabey's personal residence during the workday while getting paid by the City of East Chicago, Jose Camacho told Witness 3 not to worry about it, as he (Camacho) would take care of the paperwork and time sheets. After it came

to light that the FBI was investigating this matter, Jose Camacho told Witness 4 not tell the FBI anything about the work that was done at the Miller residence.

All in violation of Title 18, United States Code, Section 371.

THE GRAND JURY FURTHER CHARGES:

COUNT 2

(Theft of Federal Program Funds)

1. The Grand Jury realleges and incorporates by reference paragraphs 3 through 14 of Count One of this Indictment.

2. From on or about October 1, 2007, through on or about August 31, 2008, in the Northern District of Indiana,

**GEORGE PABEY
and
JOSE CAMACHO,**

defendants herein did knowingly embezzle, steal, obtain by fraud and otherwise without authority convert to the use of George Pabey, a person other than the rightful owner, property and services valued at \$5,000 or more and owned by or under the care, custody, and control of the City of East Chicago;

All in violation of Title 18, United States Code, Section 666(a)(1)(A).

THE GRAND JURY FURTHER CHARGES:

COUNT 3
(Witness Tampering)

1. The Grand Jury realleges and incorporates by reference paragraphs 3 through 14 of Count One of this Indictment.

2. From on or about approximately September 2008 through on or about approximately February 2009, in the Northern District of Indiana,

JOSE CAMACHO,

defendant herein did attempt to corruptly persuade Witness 1 by instructing Witness 1 that if Witness 1 was asked about working on the Miller residence, Witness 1 was to lie to the law enforcement officer of the United States investigating the case and falsely tell the law enforcement officer that Witness 1 did not work on the Miller residence, and on a later occasion instructing Witness 1 to falsely tell the law enforcement officer that Witness 1 worked on the weekend at the Miller residence and did not get paid, all with the intent to prevent the communication to the law enforcement officer of information relating to the commission of Federal offenses as described in Counts 1 and 2 of this Indictment.

All in violation of Title 18, United States Code, Section 1512(b)(3).

THE GRAND JURY FURTHER CHARGES:

COUNT 4
(Witness Tampering)

1. The Grand Jury realleges and incorporates by reference paragraphs 3 through 14 of Count One of this Indictment.

2. From on or about approximately September 2008 through on or about February 2009, in the Northern District of Indiana,

JOSE CAMACHO,

defendant herein did attempt to corruptly persuade Witness 4 by instructing Witness 4 that if Witness 4 was asked about working on the Miller residence by the law enforcement officer of the United States investigating the case, Witness 4 was not to tell the law enforcement officer anything about having had worked on the Miller residence, with the intent to prevent the communication to the law enforcement officer of information relating to the commission of Federal offenses as described in Counts 1 and 2 of this Indictment..

All in violation of Title 18, United States Code, Section 1512(b)(3).

FORFEITURE ALLEGATIONS

The allegations contained in Counts 1 and 2 of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture.

1. Upon conviction of the offenses in violation of Title 18 United States Code, Sections 666(a)(1)(A) and 371 set forth in Counts 1 through 2 of this Indictment, the defendant, GEORGE PABEY, shall forfeit to the United States of America pursuant to Title 18, United States Code, Section 981(a)(1)(C) and 28 U.S.C. Section 2461(c), any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violations, including but not limited to the following:

a. REAL PROPERTY

Real property located at 8530 Locust Avenue, Gary, Indiana and legally described as follows:

RESUB. YOUNG'S WOODLANDS L. 7 BL. 5

b. If any of the above described forfeitable property, as a result of any act or omission of the defendants: cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States of America, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28,

United States Code, Section, 2461(c) to seek forfeiture of substitute property of the defendants up to the value of the forfeitable property described above.

A TRUE BILL:

APPROVED:

FOREPERSON

David J. Nozick
Assistant United States Attorney

Gary T. Bell
Assistant United States Attorney