

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION AT DAYTON

RICHARD W. NAGEL  
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U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION AT DAYTON

**UNITED STATES OF AMERICA,** : No. 3:18CR186TMR  
: :  
**Plaintiff,** : S U P E R S E D I N G  
: I N D I C T M E N T  
**v.** : :  
: 18 U.S.C. § 1341  
**BRIAN HIGGINS,** : 18 U.S.C. § 1343  
: 18 U.S.C. § 2  
**Defendant.** :

The Grand Jury charges:

COUNTS ONE THROUGH THREE

[18 U.S.C. §§ 1341 and 2]

I. INTRODUCTION

At all times relevant to this Indictment:

1. Defendant **BRIAN HIGGINS** was a businessman in the greater Dayton, Ohio metropolitan area. Throughout that time, defendant **BRIAN HIGGINS** lived at, and was one of the titled owners of, 7240 Meeker Creek Drive, Dayton, Ohio (hereinafter "Meeker Residence"), a private, one-story home with over 8,000 square feet of living space. Defendant **BRIAN HIGGINS** co-owned the Meeker Residence with an individual identified herein by the initials C.H. By at least summer 2014, however, C.H. did not live at the Meeker Residence.

2. Nationstar Mortgage, LLC, (hereinafter "Nationstar") was a company headquartered in Texas that originated and serviced mortgages for customers throughout the United States. Nationstar held a legal interest in the Meeker Residence.

3. Assurant, through its related entity Standard Guaranty Insurance Company, (collectively, "Assurant") was a specialized insurance business that operated in various states, including Ohio. Assurant provided homeowners insurance coverage on the Meeker Residence for Nationstar and C.H.

## II. THE SCHEME TO DEFRAUD AND ITS EXECUTION

4. Between a beginning date unknown, but at least by in or around August 2014, and continuing through in or around February 2015, in the Southern District of Ohio, defendant **BRIAN HIGGINS** knowingly and with the intent to defraud, devised, executed, and participated in a scheme to defraud Assurant and to obtain money and property owned by and under the custody and control of Assurant, by means of materially false and fraudulent pretenses, representations, and promises, and the non-disclosure and concealment of material facts through a fraudulent insurance scheme.

5. Defendant **BRIAN HIGGINS** devised this fraudulent insurance scheme to operate, and the fraudulent insurance scheme

did operate, as follows:

a. During July 2014, while defendant **BRIAN HIGGINS** resided at the Meeker Residence, the property sustained significant water damage from a leak in an approximately 600 gallon fish tank. Around the time of this incident, various financial institutions, including Nationstar, had joined foreclosure proceedings against the Meeker Residence. Despite the pendency of this litigation, Nationstar obtained for its benefit and that of C.H. homeowners insurance on the property. In doing so, Nationstar intended to protect its interest in the Meeker Residence by ensuring necessary repairs to the property in the event that the home was damaged during the foreclosure proceedings.

b. In or around August 2014, defendant **BRIAN HIGGINS** submitted a claim in the name of C.H. to Assurant concerning the water damage. In submitting this paperwork, defendant **BRIAN HIGGINS** understood that Assurant and Nationstar intended for him to use any money disbursed on the claim to fund and complete bona fide repairs of the Meeker Residence. Neither Assurant nor Nationstar authorized or expected defendant **BRIAN HIGGINS** to divert this money for personal, non-repair related expenditures, such as funding a restaurant, paying telephone bills, or

spending money at a casino - particularly, given the pendency of the foreclosure proceeding and Nationstar's interest in the Meeker Residence.

c. Assurant took affirmative steps to ensure that claimants did not improperly divert repair funds for improper and fraudulent purposes. For instance, Assurant generally required a contractor to provide an estimate of, and management over, the repair work. In doing so, Assurant anticipated that the contractor effectively would serve as a neutral party, receiving disbursements for repairs from the insurance company and completing the contemplated work. As an added protection against the misuse of funds by the claimant, Assurant disbursed repair money via checks issued in the name of the claimant and the contractor thereby requiring countersignatures of both parties to release the funds. Moreover, Assurant generally declined to issue funds in a lump sum payment; rather, it disbursed checks over a series of draws earmarked for certain portions of the repairs. By staggering the funds in this manner, Assurant could dispatch inspectors to a home to assess the status of repairs before issuing additional draws. Defendant **BRIAN HIGGINS** generally was aware of and understood these safeguards.

d. In submitting a claim in the name of C.H. to Assurant concerning the water damage, defendant **BRIAN HIGGINS** did not plan to use the funds received from the insurer as expected -- namely, only for bona fide repair work to the Meeker Residence. Rather, defendant **BRIAN HIGGINS** intended to divert, and actually diverted, significant portions of this money for his own personal benefit and to make a personal profit on the claim submitted in C.H.'s name.

e. To conceal his plan to improperly and fraudulently divert significant portions of the designated repair funds and to defeat Assurant's safeguards against such abuse, defendant **BRIAN HIGGINS** sought assistance from a business identified herein as Company A. Designating Company A as the contractor on the project, defendant **BRIAN HIGGINS** caused this entity to submit repair estimates to Assurant. In doing so, defendant **BRIAN HIGGINS** did not plan for Company A to use all of the funds requested through the estimate to perform bona fide work on the Meeker Residence; rather, defendant **BRIAN HIGGINS** instructed Company A to divert one or more checks received from Assurant to his (defendant **BRIAN HIGGINS'**) personal bank account (rather than using the funds for repair work) as promised and represented. When depositing at least one of these checks,

defendant **BRIAN HIGGINS** forged the signature of C.H. on this monetary instrument. From his personal account, defendant **BRIAN HIGGINS'** proceeded to misuse Assurant's funds for improper and unauthorized purposes, including to pay his phone bill, to spend money at a casino, and to support a planned restaurant.

f. To create an appearance of work at the Meeker Residence, defendant **BRIAN HIGGINS** instructed Company A to use a small portion of the first draw received from Assurant to complete certain repairs at the residence. Defendant **BRIAN HIGGINS** intended for these smaller repairs to convince any inspectors or adjusters from Assurant to authorize additional draws or disbursements on the claim. Having created the appearance of repair work, defendant **BRIAN HIGGINS** intended to divert subsequent draws primarily for his own personal benefit as described above.

g. As part of the claim's process, Assurant also required that the claimant submit true and accurate information to it, concerning, among other things: the cost of expected repairs as well as bona fide invoices documenting repair work performed, or expected to be performed, on the residence. Based on the claimant's tacit representation concerning the validity of this paperwork -- including, among other things, bona fide

invoices and repair cost estimates -- Assurant issued funds ultimately destined for, among others, the vendor who performed the purported repair work on the property.

h. Rather than submitting bona fide, accurate invoices and other documentation concerning repairs performed on the Meeker Residence, defendant **BRIAN HIGGINS** created and caused to be created false, fraudulent, and fictitious paperwork that materially misrepresented the repair work planned to be performed on this property. Defendant **BRIAN HIGGINS** submitted and then caused to be submitted these false, fraudulent, and fictitious documents. Defendant **BRIAN HIGGINS** also engaged in conversations with Assurant in which he materially misrepresented and fraudulently omitted material facts concerning, among other things, the status of work at the Meeker Residence and how defendant **BRIAN HIGGINS** had used, and planned to use, Assurant's funds. In doing so, defendant **BRIAN HIGGINS** intended for Assurant to issue additional funds that he also planned to divert for his own personal benefit rather than repairing the Meeker Residence as represented.

i. Based on defendant **BRIAN HIGGINS'** false and fraudulent pretenses, representations, and promises, and the non-disclosure and concealment of material facts, Assurant

issued funds, and sustained losses, totaling over one hundred thousand dollars.

III. THE MAILINGS

6. On or about the dates listed below, in the Southern District of Ohio, defendant **BRIAN HIGGINS**, for the purpose of carrying out the above-described scheme to defraud, caused the items described below to be deposited and to be sent and delivered by the United States Postal Service as well as private and commercial interstate carriers:

<u>COUNT</u>	<u>DATE</u>	<u>MAILING</u>
ONE	8/15/2014	Letter from Assurant addressed to C.H. at the Meeker Residence
TWO	9/10/2014	Check totaling \$14,666.89 to a company identified herein as Company A
THREE	2/4/2015	Letter from Assurant addressed to defendant <b>BRIAN HIGGINS</b> at the Meeker Residence

All in violation of Title 18, United States Code, Sections 1341 and 2.



COUNT FOUR

[18 U.S.C. §§ 1343 and 2]

I. INTRODUCTION

7. The allegations of paragraphs 1 through 3 of this Indictment are realleged and incorporated by reference as though set forth in full.

II. THE SCHEME TO DEFRAUD AND ITS EXECUTION

8. Between a beginning date unknown, but at least by in or around August 2014, and continuing through in or around February 2015, in the Southern District of Ohio, defendant **BRIAN HIGGINS** knowingly and with the intent to defraud, devised, executed, and participated in a scheme to defraud Assurant and to obtain money and property owned by and under the custody and control of Assurant, by means of materially false and fraudulent pretenses, representations, and promises, and the non-disclosure and concealment of material facts through a fraudulent insurance scheme.

9. The scheme was designed to operate and did operate as described above in paragraphs 5(a) through 5(i) of this Indictment.

III. THE WIRINGS

10. On or about the dates listed below, in the Southern District of Ohio, and elsewhere, defendant **BRIAN HIGGINS**, for the purpose of carrying out the above-described scheme to defraud, caused the transmission of the following writings, signs, and signals, by means of wire communication in interstate commerce:

<u>COUNT</u>	<u>DATE</u>	<u>MAILING</u>
FOUR	8/28/2014	Interstate email from defendant <b>BRIAN HIGGINS</b> to Assurant

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

A TRUE BILL

JS/ Signed  
Foreperson

DAVID M. DeVILLERS  
United States Attorney

B. G.  
BRENT G. TABACCHI  
Assistant United States Attorney