

**Department of Justice
U.S. Attorney's Office
Northern District of Illinois**

**FOR IMMEDIATE RELEASE
Monday, March 13, 2023**

Illinois Attorney Found Guilty of Embezzlement, Bankruptcy Fraud, and Tax Fraud

CHICAGO — A federal jury has found a former Illinois attorney and real estate developer guilty on two counts of embezzlement, six counts of bankruptcy fraud, and eight counts of tax fraud following a nearly four week-long trial in Chicago.

Evidence at trial revealed that ROBERT KOWALSKI, 61, of Chicago was a close associate of John Gembara, the former President of Washington Federal Bank for Savings ("WFBS"), a small bank in Chicago's Bridgeport neighborhood which was closed in December 2017 after the Office of the Comptroller of the Currency determined that the bank was insolvent and had at least \$66 million in nonperforming loans. Kowalski served a key role in the embezzlement scheme, specifically diverting from the bank more than \$8 million, plus property which was rightly the collateral of the bank for other loans. The embezzled funds that Kowalski received from WFBS were concealed by entering them on the bank's records as loan disbursements. However, WFBS never required Kowalski to repay these fraudulent loans. Along with his co-conspirators, Kowalski was involved in the falsification of bank records and the recording of false financial transactions to shift real estate interests into his own name for financial benefit. After the collapse of WFBS, the Federal Deposit Insurance Corporation attempted to collect on the money and properties that Kowalski obtained as part of the embezzlement scheme. To avoid losing the assets, Kowalski filed a fraudulent bankruptcy case, in which he attempted to conceal numerous assets. To substantiate the financial claims made within his bankruptcy filings, and avoid paying taxes, Kowalski filed false corporate returns in 2014 and 2015, and false personal returns in 2015, 2016, and 2017. Kowalski failed to file returns in 2013 and 2014.

Sentencing has been set for June 2, 2023 before U.S. District Court Judge Virginia M. Kendall. Kowalski could face a sentence of up to 82 years in federal prison.

<https://www.justice.gov/usao-ndil/pr/illinois-attorney-found-guilty-embezzlement-bankruptcy-fraud-and-tax-fraud>

The verdict was announced by Morris Pasqual, Acting United States Attorney for the Northern District of Illinois; Kathy A. Enstrom, Special Agent in Charge of the Chicago Region of the FDIC's Office of Inspector General; Machel L. Jindra, Special Agent in Charge of the U.S. Department of Housing and Urban Development's Office of Inspector General in Chicago; Justin Campbell, Special Agent-in-Charge of IRS Criminal Investigation in Chicago; Catherine Huber, Special Agent-in-Charge of the Central Region of the Federal Housing Finance Agency, Office of Inspector General; Robert W. Wheeler, Jr., Special Agent-in-Charge of the Chicago Field Office of the FBI; Andrea Peacock, Special Agent in Charge of the of the Department of the Treasury, Office of Inspector General; Deborah Witzburg, City of Chicago Inspector General; and Kathryn Richards, Chicago Housing Authority Inspector General. Valuable assistance was provided by the U.S. Trustee Program. The government was represented by Assistant U.S. Attorneys Jeremy Daniel, Kristin Pinkston, and Brian Netols, along with Special Assistant U.S. Attorney Jeffrey Snell.

Updated March 13, 2023