

Press Release

Real Estate Developer Sentenced to More Than Six Years in Prison for Embezzling Millions From the Failed Washington Federal Bank in Chicago

Wednesday, April 30, 2025

For Immediate Release

U.S. Attorney's Office, Northern District of Illinois

CHICAGO — A federal judge in Chicago has sentenced a real estate developer to more than six years in prison for participating in a conspiracy that embezzled millions of dollars from the failed Washington Federal Bank for Savings in Chicago.

Washington Federal, which was based in Chicago's Bridgeport neighborhood, was shut down in 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. For more than a decade, developer MIROSLAW KREJZA was part of a conspiracy that embezzled millions of dollars in bank funds. The embezzled funds were disguised as purported real estate development loan disbursements to Krejza and others. The conspirators were not required to repay these purported loans, and they never did.

A federal jury in 2023 convicted Krejza, 67, of Chicago, of conspiring to commit embezzlement and falsify bank records, and aiding and abetting embezzlement by bank employees. On Tuesday, U.S. District Judge Virginia M. Kendall sentenced Krejza to six years and eight months in prison and ordered him to pay more than \$2 million in restitution.

The sentence was announced by Andrew S. Boutros, United States Attorney for the Northern District of Illinois; Vincent R. Zehme, Special Agent-in-Charge of the Chicago Region of the FDIC's Office of Inspector General; Douglas S. DePodesta, Special Agent-in-Charge of the Chicago Field Office of the FBI; Machel L. Jindra, Special Agent-in-Charge of the U.S. Department of Housing and Urban Development's Office of Inspector General in Chicago; Ramsey E. Covington, Acting Special Agent-in-Charge of IRS Criminal Investigation in Chicago; Korey Brinkman, Special Agent-in-Charge of the Central Region of the Federal Housing Finance Agency, Office of Inspector General; Andrea Peacock, Special Agent-in-Charge of the Department of the Treasury, Office of Inspector General; Deborah Witzburg, City of Chicago Inspector General; and Kathryn B. 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 Michelle Petersen, Kristin Pinkston, and Jeffrey Snell, and Special Assistant U.S. Attorney Brian Netols.

The federal investigation into the collapse of Washington Federal led to criminal charges against 16 defendants, including the bank's Chief Financial Officer, Treasurer, and other high-ranking employees, for conspiring to embezzle at least \$31 million in bank funds. Krejza and three others were convicted after jury trials, while ten defendants pleaded guilty and two entered into deferred prosecution agreements.

Much of the embezzled money was transferred to Chicago attorney ROBERT M. KOWALSKI, real estate developer MAREK MATCZUK, and other individuals outside the bank without all of the required documentation and often without any documentation whatsoever. A jury convicted Robert

Kowalski on bankruptcy fraud, bank embezzlement, and tax charges, while Matczuk was convicted of conspiring to commit embezzlement and falsify bank records, as well as aiding and abetting embezzlement by bank employees. Judge Kendall last year sentenced Robert Kowalski to [25 years](#) in federal prison and Matczuk to [nearly 13 years](#).

Robert Kowalski's sister, JAN R. KOWALSKI, also an attorney, pleaded guilty and was [sentenced](#) to more than three years in prison for fraudulently enabling her brother to conceal more than \$357,000 from creditors and the trustee in his bankruptcy case.

Three former members of Washington Federal's Board of Directors pleaded guilty to conspiring to falsify bank records to deceive the OCC. WILLIAM M. MAHON was [sentenced](#) to 18 months in prison; GEORGE F. KOZDEMBA was [sentenced](#) to a year in prison; and JANICE M. WESTON was [sentenced](#) to three months in prison.

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