

Department of Justice

U.S. Attorney's Office

Eastern District of Illinois

FOR IMMEDIATE RELEASE

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Federal Criminal Probe Into Failure of Chicago Bank Adds New Charges and Four Former Employees as Defendants

CHICAGO — An ongoing federal criminal investigation into the failure of a Chicago bank has resulted in charges against four new defendants, all of whom worked for the bank.

Washington Federal Bank for Savings was shut down 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. Last year, two Illinois attorneys – bank customer ROBERT M. KOWALSKI and his sister, JAN R. KOWALSKI – were indicted for allegedly defrauding Robert Kowalski's creditors and the trustee in his bankruptcy case by concealing cash and property belonging to Robert Kowalski's bankruptcy estate. A second superseding indictment returned Thursday renewed the bankruptcy fraud charges against the Kowalskis and added four former Washington Federal employees to the case. The new indictment also identified the primary creditor victim of the bankruptcy fraud as the Federal Deposit Insurance Corporation. The employees allegedly conspired with Robert Kowalski and higher-ranking bank officials to embezzle at least \$29 million in bank funds in the years preceding the closure. The employees and the higher-ranking officials allegedly transferred the money to Robert Kowalski and others, often without any documentation, and falsified bank records to conceal the embezzlement from the OCC and the FDIC, the latter having become the receiver of the bank and provider of approximately \$90 million to make account holders whole.

The new indictment charges Robert Kowalski, 58, of Chicago, with conspiracy to commit embezzlement and falsify bank records. Also charged in the conspiracy are the four former bank employees: ROSALLIE C. CORVITE, 45, of Chicago, who served as Chief Financial Officer and Treasurer; JANE V. IRIONDO, formerly known as Jane V. Tran, 39, of Boise, Idaho, who served as Corporate Secretary; ALICIA MANDUJANO, 49, of Chicago, who worked as a loan servicer; and CATHY M. TORRES, 39, of Chicago, who worked as a loan officer. The four employees also face individual counts of falsifying bank records. In addition to renewing the bankruptcy fraud charges against Robert Kowalski and Jan Kowalski, 56, of LaGrange, the new indictment also adds several tax counts against Robert Kowalski for allegedly failing to file income tax returns and filing false personal and corporate returns for various years.

Arraignments in U.S. District Court in Chicago have not yet been scheduled.

The indictment was announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; Jay N. Lerner, Inspector General of the FDIC's Office of Inspector General; Kathy A. Enstrom, Special Agent-in-Charge of IRS Criminal Investigation in Chicago; Emmerson Buie, Jr., Special Agent-in-Charge of the Chicago Field Office of the FBI; Catherine Huber, Special Agent-in-Charge of the Central Region of the Federal Housing Finance Agency, Office of Inspector General; Brad Geary, Special Agent-in-Charge of the U.S. Department of Housing and Urban Development's Office of Inspector General in Chicago; Assistant Inspector for Investigations Sally Luttrell of the Department of the Treasury, Office of Inspector General; Joseph M. Ferguson, City of Chicago Inspector General; and Elissa Rhee-Lee, Chicago Housing Authority Inspector General. Valuable assistance was provided by the U.S. Trustee Program. The government is represented by Assistant U.S. Attorneys Brian Netols, Michelle Petersen, and Jeremy Daniel.

The criminal investigation remains ongoing.

The public is reminded that an indictment is not evidence of guilt. The defendants are presumed innocent and entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

Attachment(s):

[Download Knowalski et al 2nd superseding Indictment](#)

Components(s):

[Federal Bureau of Investigation \(FBI\) USAO – Illinois, Northern](#)

Topic(s):

Bankruptcy

Financial Fraud

Tax