

## PRESS RELEASE

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## Four New Defendants Added to Federal Indictment Alleging Multi-Million Dollar Embezzlement Conspiracy Resulting in Failure of Chicago Bank

CHICAGO – An ongoing federal criminal investigation into the failure of Washington Federal Bank for Savings has resulted in charges against four new defendants, three of whom are alleged to have embezzled a total of more than \$23 million from the Chicago bank.

Washington Federal 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. Four former Washington Federal employees, including the bank's Chief Financial Officer and Treasurer, were indicted last year for allegedly conspiring with an Illinois attorney – ROBERT M. KOWALSKI, of Chicago – and others to embezzle money from the bank in the years preceding the closure. On Thursday, a federal grand jury in Chicago returned a superseding indictment that added four more defendants, including the bank's former Vice President, bringing the total number of charged defendants to ten.

The new charges allege that the Vice President – JAMES R. CROTTY, 41, of Tinley Park, Ill. – joined several of the other defendants in a conspiracy to embezzle at least \$31 million in bank funds. Crotty and the other conspirators transferred bank funds to the attorney and the three other new defendants – real estate developers BOGUSLAW KASPROWICZ, 63, of Burbank, Calif., and MIROSLAW KREJZA, 62, of Chicago, and contractor MAREK MATCZUK, 57, of Park Ridge, Ill. – and others, without all of the required documentation and often without any documentation whatsoever, the indictment states. The conspirators allegedly falsified bank records to conceal the embezzlement from the OCC and the Federal Deposit Insurance Corp.

The new charges further allege that, of the \$14.3 million that Kasprowicz embezzled, at least \$1.6 million was used by Kasprowicz for the benefit of the bank's former President, who has since died and is not charged in the indictment. Kasprowicz allegedly paid credit card accounts in the name of the bank President or an entity associated with him, and also made payments to another bank for a loan on the purchase of a \$450,000 Sea Ray powerboat called "Expelliarmus."

The superseding indictment charges all ten defendants with conspiracy to commit embezzlement. Kasprowicz also faces several tax charges for allegedly underreporting his personal and corporate income in numerous tax returns. The indictment also renews tax charges against Robert Kowalski, as well as bankruptcy fraud charges against Robert Kowalski and his sister, JAN R. KOWALSKI, of LaGrange, for allegedly defrauding Robert Kowalski's creditors and the trustee in his bankruptcy case.

In addition to Crotty, the former bank employees charged in the conspiracy are: ROSALLIE C. CORVITE, of Chicago, who served as Chief Financial Officer and Treasurer; JANE V. IRIONDO, formerly known as Jane V. Tran, of Boise, Idaho, who served as Corporate Secretary; ALICIA MANDUJANO, of Chicago, who worked as a loan servicer; and CATHY M. TORRES, of Chicago, who worked as a loan officer.

Arraignments on the new charges are set for March 4, 2021, at 10:00 a.m., before U.S. District Judge Virginia M. Kendall in Chicago.

The superseding 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; Tamera Cantu, Acting 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; 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 and the Department of the Treasury, Office of Inspector General. The government is represented by Assistant U.S. Attorneys Brian Netols, Michelle Petersen, Jeremy Daniel, and Nicholas Eichenseer.

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.

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