



Department of Justice

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Northern District of Georgia

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REAL ESTATE BROKER PLEADS GUILTY TO BANKRUPTCY FRAUD

ATLANTA, GA - ROBERT NEGRELLI, 65, of Alpharetta, Georgia, pleaded guilty today in federal district court to making false statements during his bankruptcy case filed with the United States Bankruptcy Court for the Northern District of Georgia.

United States Attorney Sally Quillian Yates said, "Bankruptcy is intended to provide relief to individuals who are overcome by their personal debts. For the process to work, those filing for bankruptcy protection must be completely honest about their finances. Mr. Negrelli's false statements undermined the integrity of the bankruptcy proceedings and, if successful, would have cheated his creditors out of the money that he owed."

IRS Criminal Investigation Special Agent in Charge Reginael D. McDaniel said, "Bankruptcy is for individuals and businesses who have legitimate claims of insolvency and need relief to get back on the right track. Honest, law abiding citizens are fed up with those who abuse this process by using deceit and fraud to evade their tax obligations."

According to United States Attorney Yates, the charges and other information presented in court: On March 23, 2005, ROBERT NEGRELLI filed a bankruptcy petition in the United States Bankruptcy Court for the Northern District of Georgia. At the time, NEGRELLI was a licensed real estate broker and owed Negrelli Realty, a real estate company in Alpharetta that specialized in the sale of high-end homes and horse farms in the area.

During his bankruptcy, NEGRELLI made a number of materially false statements that related to the merits of his bankruptcy case. NEGRELLI falsely stated that his income from employment or operation of his business was only \$81,000 in the two-year period prior to filing bankruptcy, when he knew this was false. When confronted, he admitted he made significantly more income through the operation of Negrelli Realty.

Similarly, NEGRELLI also falsely represented in the course of the bankruptcy case that he had listed all potential creditors in bankruptcy when he knew there were creditors with unsecured nonpriority claims that he failed to disclose. During the course of the case, NEGRELLI approached one creditor and asked that the creditor not assert a claim. He promised he would pay the creditor whatever he owed after the resolution of the bankruptcy case. He threatened that, if the creditor filed a claim in bankruptcy and testified against him, he would not pay him in the end.

NEGRELLI could receive a maximum sentence of five years in prison and a fine of up to \$250,000. In determining the actual sentence, the Court will consider the United States Sentencing Guidelines, which are not binding, but provide appropriate sentencing ranges for most offenders.

Sentencing is scheduled for November 16, 2010, at 10 a.m. before United States District Judge Thomas W. Thrash.

This case is being investigated by Special Agents of the Internal Revenue Service. Assistant United States Attorney Kurt R. Erskine is prosecuting the case.

For further information please contact Sally Q. Yates, United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, United States Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.justice.gov/usao/gan.