



U. S. Department of Justice

*United States Attorney
Northern District of Illinois*

*Patrick J. Fitzgerald
United States Attorney*

*Federal Building
219 South Dearborn Street, Fifth Floor
Chicago, Illinois 60604
(312) 353-5300*

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PRESS CONTACTS:
AUSA Brian Netols (312) 535-5320
AUSA/PIO Randall Samborn (312) 353-5318

**ACCOUNTANT AND TAX FRAUD CHARGES ADDED TO INDICTMENT IN
ROSEMONT INSURANCE AGENCY FRAUD AND MONEY LAUNDERING SCHEME**

CHICAGO -- A federal grand jury today returned a superseding indictment against two men charged previously in an alleged fraud and money laundering scheme, adding charges that they, together with an accountant who was charged today for the first time, conspired to defraud the United States of approximately \$500,000 in federal tax revenue. The new indictment was returned in the already pending case against **Nick S. Boscarino** and **Ralph E. Aulenta**, two north suburban men initially indicted in January for allegedly using a series of sham transactions to siphon \$288,670 in insurance premiums paid by the Village of Rosemont to an insurance agency that Aulenta controlled. The original 15-count indictment alleged that Boscarino and Aulenta laundered the funds through various bank and brokerage accounts they controlled before eventually dividing the proceeds -- which after being invested totaled more than \$460,000 -- between them. Today's indictment alleges that Boscarino and Aulenta, together with **Irving B. Mangurten**, a certified public accountant, conspired from 1990 to 2000 to cheat the government of tax revenue and to impede the Internal Revenue Service in the collection of individual and corporate income taxes, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois.

Mangurten, 51, of 811 Silver Rock, Buffalo Grove, a partner in a Morton Grove accounting firm, was charged with tax fraud conspiracy and seven counts of assisting in the preparation and filing of false individual (five counts) and corporate (two counts) returns for Boscarino and a restaurant company that Boscarino owned.

The new indictment charges Boscarino, 50, of 40 Overbrook Rd., Barrington, with tax fraud conspiracy and the same seven counts of filing false individual and corporate returns, in addition to the same 12 counts of money laundering and one count each of money laundering conspiracy and wire fraud that he was charged with previously. Aulenta, 61, of 1496 Turkey Trail Dr., Inverness, was charged in the new indictment with tax fraud conspiracy and two separate counts of filing false individual tax returns, in addition to the eight counts of money laundering and one count each of money laundering conspiracy and wire fraud that he was charged with previously. The indictment also seeks forfeiture of \$462,765.

Boscarino and Aulenta previously entered not guilty pleas to the original charges. All three defendants are scheduled to be arraigned on the superseding indictment on Sept. 25 before U.S. District Senior Judge John Grady in Federal Court.

According to the new indictment, during the time of the alleged fraud scheme, Boscarino was an officer and shareholder of four Rosemont companies that provided services related to trade shows: O.G. Service Corp., Eastern Services, Inc., American Trade Show Services, Inc., and Bomark Cleaning Service Corp.; and of Skybox, Inc., which operated a restaurant named Ribs in the Rosemont Village Hall. Aulenta was president of an insurance brokerage, American Business Insurance Agency of Illinois, Inc., which later became Acordia of Illinois. The Village of Rosemont, O.G. Service, Eastern Services, American Trade Show Services and Ribs all purchased insurance through ABI/Acordia of Illinois.

The tax fraud charges allege that the defendants concealed from the IRS income that Boscarino and Aulenta earned from the fraud scheme. Boscarino and Aulenta allegedly conspired to hide income from the IRS between 1991 and 1996. Beginning in 1995, Mangurten allegedly joined the tax fraud conspiracy, assisting Boscarino and Aulenta in concealing income and the taxes they owed from the insurance fraud scheme in 1995 and 1996. In addition, Mangurten allegedly assisted Boscarino in preparing and filing of false individual returns for the tax years 1997, 1998 and 1999.

The indictment alleges that Mangurten knew in 1995 that money received by Ribs from ABI/Acordia was actually income to Boscarino, but that he prepared tax returns for Ribs in 1995 and 1996 that included \$50,000 in 1995 and \$60,000 in 1996 as income to Ribs, which reported a net operating loss. He also prepared returns for Boscarino that did not include the personal income.

In 1997 and 1998, Mangurten also allegedly prepared individual returns for Boscarino that overstated investment losses by more than \$133,000, and in 1999, that he understated by more than \$850,000 in capital gains and other income from the sale of Boscarino's interests in Bomark and Ribs.

Mr. Fitzgerald announced the charges with James W. Martin, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago, and Thomas J. Kneir, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation. The investigation is continuing, they said.

The government is being represented by Assistant U.S. Attorneys Brian P. Netols and Patrick S. Layng.

If convicted, the money laundering conspiracy count and four money laundering counts each carry a maximum penalty of 20 years in prison and a \$500,000 fine, while nine other money laundering counts each carry a maximum penalty of 10 years in prison and a \$250,000 fine. Wire

fraud carries a maximum penalty of 5 years in prison and a \$250,000 fine. The tax fraud conspiracy carries maximum penalty of five years in prison and a \$250,000 fine, while each count of filing a false tax return carries a maximum penalty of three years in prison and a \$250,000, in addition to mandatory costs of prosecution. Defendants convicted of tax offenses also remain liable to the IRS for any penalties, interest and back taxes owed. As an alternative fine on some counts, the Court may order a fine totaling twice the gross loss to any victim or twice the gain to the defendant, whichever is greater. The Court, which also must order restitution, would determine the appropriate sentence to be imposed under the United States Sentencing Guidelines.

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

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