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**FORMER ABN AMRO EXECUTIVE AND OWNER OF SECURITY COMPANY
CHARGED WITH \$45 MILLION BANK FRAUD AND BRIBERY SCHEME**

CHICAGO – A former bank executive, the owner of a security company and the company itself were indicted together on federal charges for allegedly engaging in a \$45 million fraud and bribery scheme, federal officials announced today. One defendant, **George Konjuch**, formerly first vice president in charge of security for ABN AMRO and LaSalle Bank, allegedly accepted \$400,000 in cash and other benefits in return for steering tens of millions of dollars worth of security work to the security firm and its owner. Co-defendants **Armando Navarrete**, who was arrested today, and his company, Navarrete Industries, Inc., of Wood Dale, doing business as Integrated Security Solutions and INS, allegedly paid the bribes and over-charged the bank for the work they received from Konjuch by \$45 million. All three defendants were charged in a 22-count indictment returned by a federal grand jury yesterday and unsealed today following Navarrete's arrest.

Konjuch, 54 of Des Plaines, was charged with five counts of bank fraud, five counts of bank bribery, and two counts of federal income tax fraud. Navarrete, 45 of Bloomingdale, was charged with five counts of bank fraud, five counts of bank bribery, and five counts of structuring monetary transactions. INS was charged with five counts of bank fraud and five counts of bank bribery. The

indictment also seeks \$45 million in forfeiture against Navarrete and INS and \$400,000 in forfeiture against Konjuch, as well as their homes and business premises.

Navarrete, who was arrested this morning by FBI and IRS agents, will appear at 10:45 a.m. before U.S. Magistrate Judge Sidney Schenkier. Konjuch and INS will be arraigned at a later date in U.S. District Court.

The charges were announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois; Robert D. Grant, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division.

According to the indictment, the fraud scheme extended from 2001 to Sept. 11, 2006. As part of the scheme, Navarrete and INS charged what they and Konjuch knew were substantially above-market prices for preventative maintenance on security equipment and other services rendered to LaSalle Bank.

The indictment alleges that in return for Konjuch steering business to INS and approving inflated invoices, Navarrete and INS provided Konjuch and members of his family with cash and other benefits, including: two safes for use in his residence; installation and monitoring of a security system at his residence; payment for other services and improvements at his residence, including home landscaping and snow removal; exercise equipment; travel expenses, including travel to Las Vegas and Puerto Rico; and payments and benefits to his children, including a \$10,000 payment to his daughter as a wedding present and attorneys fees for his son.

The tax counts against Konjuch allege that he under-reported his income on his federal income tax returns for 2005 and 2006.

The government is being represented by Assistant U.S. Attorneys Brandon Fox and John Dever.

If convicted, each count of bank fraud and bank bribery against Konjuch and Navarrete carries a maximum penalty of 30 years in prison and a \$1 million fine. The tax fraud counts against Konjuch each carry a maximum penalty of 3 years in prison and \$250,000 fine. The structuring counts against Navarrete each carry a maximum penalty of 10 years in prison and \$250,000 fine. The charges against INS each carry a maximum penalty of five years probation and a \$1 million fine. The Court may impose an alternative maximum fine of twice the gross loss or gross gain, whichever is greater. Restitution is mandatory. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

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

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