



U. S. Department of Justice

United States Attorney
Northern District of Illinois

Patrick J. Fitzgerald
United States Attorney

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

FOR IMMEDIATE RELEASE
FRIDAY FEBRUARY 17, 2012
www.justice.gov/usao/iln

PRESS CONTACTS:
AUSA Renato Mariotti 312-886-7855
Randall Samborn 312-353-5318

**HOFFMAN ESTATES COUPLE INDICTED ON TAX CHARGES FOR ALLEGEDLY
EVADING FEDERAL TAXES ON MORE THAN \$1.6 MILLION OF INCOME**

CHICAGO — A Hoffman Estates couple were indicted on federal tax charges for allegedly failing to pay taxes on income totaling more than \$1.6 million, while at the same time they created a shell corporation to record a nonexistent mortgage on their home and filed a false bankruptcy petition in the wife's name, federal law enforcement officials announced today. The defendants, **Lynn S. Loppnow** and **Dean R. Loppnow**, were charged in an eight-count indictment returned yesterday by a federal grand jury, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Alvin Patton, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division in Chicago, announced today.

Lynn Loppnow, 61, and Dean Loppnow, 69, a former certified public accountant, were each charged with one count of conspiracy to defraud the United States by obstructing the IRS in the collection of taxes, one count of tax evasion, and three misdemeanor counts of failing to file a federal income tax return. They will be ordered to appear for arraignment at a later date in U.S. District Court.

According to the indictment, Dean Loppnow has worked in various positions, including district and regional sales coordinator, since 1994. Lynn Loppnow has worked as a sales associate for the same company since 1999.

During calendar year 2002, Lynn Loppnow had gross income of approximately \$137,409 but failed to file a federal tax return or to pay income taxes of approximately \$33,970, the charges allege. By 2005, Lynn Loppnow owed the IRS approximately \$56,150 in taxes, interest and penalties for tax years 2002 and the IRS placed a levy on three bank accounts in their names, it adds.

Between 2003 and 2006, the couple allegedly created shell companies and used one of them to record a mortgage on their residence with the Cook County Recorder of Deeds in the amount of \$500,000 payable in one installment in 2017. During the same period, they each allegedly withdrew hundreds of thousands of dollars from their individual retirement accounts without having any federal taxes withheld and deposited the funds into various bank and brokerage accounts.

In December 2005, Lynn Loppnow filed a bankruptcy petition listing less than \$50,000 in assets and more than \$50,000 in debts, including the \$56,150 IRS levy. At the same time, Dean Loppnow told the IRS that his wife had entered bankruptcy and the IRS should release the levy on their bank accounts because they could not pay their bills, the indictment alleges.

Each spouse was charged with three counts of failing to file a federal income tax return for the calendar years 2004, 2005 and 2006. The indictment alleges that Lynn Loppnow received gross income of approximately \$39,845 in 2004, \$266,207 in 2005, and \$55,671 in 2006. Dean Loppnow allegedly received gross income of \$320,377 in 2004, \$504,563 in 2005, and \$218,769 in 2006.

Conspiracy to defraud the IRS and tax evasion each carry a maximum penalty of five years in prison and a \$250,000 fine, while each count of failing to file a federal income tax return carries

a maximum penalty of a year in prison and a \$100,000 fine. Restitution is mandatory, and defendants convicted of tax offenses must pay the costs of prosecution and remain liable for any and all back taxes, as well as a civil fraud penalty of 75 percent of the underpayment plus interest. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines.

The government is being represented by Assistant U.S. Attorney Renato Mariotti.

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 government has the burden of proving guilt beyond a reasonable doubt.

###