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**FORMER CHIEF INFORMATION OFFICER FOR CHICAGO-BASED
INTERNATIONAL LAW FIRM ARRESTED FOR ALLEGEDLY
ENGAGING IN AT LEAST \$850,000 FRAUDULENT BILLING SCHEME**

CHICAGO — The former chief information officer of an international law firm based in Chicago was arrested today on federal charges for allegedly defrauding the firm of at least \$850,000 over the last year as a result of an allegedly fraudulent billing scheme with a vendor company. The defendant, DAVID TRESCH, allegedly approved payments to a vendor for work that had not been performed, and in turn, pocketed hundreds of thousands of dollars from that vendor. As background, the charges state that Tresch obtained nearly \$1.3 million in additional proceeds since approximately 2005, a year after he joined the victim firm. Also today, FBI agents seized approximately \$210,000 in bank accounts controlled by Tresch, as well as a camping trailer, a van, and a luxury automobile, and agents obtained authority to seize a mobile home.

Tresch, 51, of Itasca, was charged with one count of mail fraud in a criminal complaint that was filed yesterday and unsealed today following his arrest. He was released on a \$100,000 partially-secured bond after appearing before Magistrate Judge Sidney I. Schenkier in U.S. District Court. A status hearing was set for 11:30 a.m. on Sept. 5, 2012.

The arrest and charges were announced by Gary S. Shapiro, Acting United States Attorney for the Northern District of Illinois, and William C. Monroe, Acting Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation.

According to the complaint affidavit, Tresch was terminated on June 28, 2012, by the victim law firm, which was not identified by name. The firm reported his alleged criminal activity to federal authorities and cooperated in the ensuing investigation. The firm, which has offices worldwide, hired Tresch in May 2004 as a server operations manager in its information technology department. He was promoted in 2008 to director of global operations, and was promoted again in July 2011, to chief information officer.

The charges allege that between May 2011 and May 2012, the law firm issued checks totaling approximately \$980,000 to the unnamed vendor firm, based in Schaumburg, which purported to provide personnel and technology to assist businesses with office automation, website and database development, and general information technology. During that same time, the vendor firm issued 11 checks totaling \$854,250 to Tresch, who deposited the funds into one of two personal accounts he controlled, and then used funds from those accounts to purchase and make payments on the mobile home, camper, and vehicles, the charges allege.

As part of his duties, Tresch was responsible for reviewing invoices from, and authorizing payment to, the vendor firm for the services of contract employees. Between November 2004 and March 2011, the law firm paid the vendor firm nearly \$7.8 million for work purportedly performed by the vendor firm contract employees. During that time, records showed that more than 95 percent of the vendor firm's income came from the victim law firm, the charges state.

Between February 2005 and March 2011, the vendor firm paid Tresch nearly \$1.3 million, or more than 15 percent of the money it received from the law firm, according to the affidavit. Tresch allegedly never disclosed to the law firm that he had any financial interest in the vendor firm.

According to a law firm official, in February 2011, Tresch was directed to stop using the vendor firm's services. However, the vendor firm continued to submit invoices to Tresch, who allegedly continued to approve payments, knowing that the vendor firm was no longer permitted to perform work for the law firm and, in fact, had not performed any work for the law firm after March 2011. Between May 2011 and May 2012, the \$854,250 that Tresch allegedly obtained represented nearly 90 percent of the \$980,000 that the victim law firm had paid to the vendor, the charges allege.

Mail fraud carries a maximum penalty of 20 years in prison and a \$250,000 fine, and restitution is mandatory. The Court may also impose a fine totaling twice the loss to the victim or twice the gain to the defendant, whichever is greater. 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 Terra Reynolds.

The public is reminded that a complaint is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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