



U.S. Department of Justice

*United States Attorney
Northern District of Illinois
Western Division*

Scott A. Verseman
Assistant U.S. Attorney
www.usdoj.gov/usao/iln

308 West State Street - Room 300
Rockford, Illinois 61101

PH: (815) 987-4444
FAX: (815) 987-4236

May 10, 2011

FORMER MARENGO CONTRACTOR SENTENCED TO 11 YEARS IN PRISON ON FEDERAL FRAUD AND TAX CHARGES

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; ALVIN PATTON, Special Agent-In-Charge of the Chicago Office of the Internal Revenue Service - Criminal Investigation Division (“IRS-CID”); and ROBERT D. GRANT, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation (“FBI”), today made the following announcement:

Late yesterday afternoon, in Rockford Federal Court, United States District Judge Frederick J. Kapala sentenced **JOHN M. VOLPENTESTA**, 54, formerly of Marengo, Illinois, to 133 months in federal prison without parole on his federal fraud and tax convictions.

On July 19, 2010, after a four week trial, a federal jury in Rockford returned guilty verdicts against Volpentesta, convicting him of two counts of mail fraud, two counts of wire fraud, eleven counts of failing to pay over to the IRS taxes he withheld from the wages of his employees, three counts of failing to file unemployment tax returns, and three counts of failing to file personal income tax returns. The jury acquitted Volpentesta of two remaining mail fraud counts.

The fraud charges arose from Volpentesta’s operation of a residential construction business located in Marengo, known as Volpentesta Construction, Inc. (also known as “VCI”). The indictment alleged that Volpentesta defrauded at least four families with whom VCI contracted to build homes. Specifically, the indictment charged Volpentesta with obtaining large sums of money from these families by: (1) falsely stating that VCI had performed work on their homes that was actually performed by subcontractors; (2) fraudulently billing his customers for work performed by subcontractors and materials suppliers, and then failing to pay those subcontractors and suppliers; (3) billing customers for materials he used on other projects, including a strip mall he owned; and (4) charging additional “fees” to which VCI was not entitled under its contracts with the families. The indictment also alleged that Volpentesta defrauded certain individuals who invested money in, or loaned money to, VCI by making false promises about the security of their investments and when their money would be returned. According to the indictment, Volpentesta defrauded his construction customers and investors out of a total of more than \$1 million dollars.

The indictment also charged Volpentesta with seventeen federal tax charges. Eleven of those counts charged that from the second quarter of 2003, through the fourth quarter of 2005, Volpentesta collected federal income tax, Medicare, and Social Security taxes from the wages of VCI’s employees, but then failed to pay those monies to the IRS. According to the indictment, the

amount of taxes Volpentesta collected from his employees and failed to pay to the IRS was \$164,999. Three of the tax counts charged Volpentesta with failing to file Form 940 Federal Unemployment Tax returns on behalf of VCI for the years 2003, 2004, and 2005. The remaining three counts charged Volpentesta with failure to file Form 1040 federal income tax returns on behalf of himself and his wife for the years 2003, 2004, and 2005. According to these three counts, Volpentesta received gross income in the following amounts during those years: (1) 2003 – \$375,853.01; (2) 2004 – \$156,844.95; and (3) 2005 – \$193,833.53.

Judge Kapala decided several of the sentencing issues raised by the parties in a written order issued yesterday morning. In this order, Judge Kapala said: “The court has observed defendant’s actions, expressions and demeanor while testifying in this court and in this court’s estimation the truth for defendant has very little connection to reality or actuality. The truth in defendant’s mind had been perverted to mean whatever profits or benefits him, as he is unfettered by any desire or sense of moral obligation to tell the truth.” Judge Kapala also stated: “[Volpentesta] has shown himself to be a pernicious, self-absorbed and cold-hearted person who is oblivious to the pain he causes other people.”

In addition to the 133 month prison sentence, Volpentesta was ordered to serve 5 years of supervised release following his release from prison, and to pay restitution in the amount of \$1,378,127.03 to the victims of his fraud scheme.

The case was investigated by the Rockford offices of the IRS-CID and FBI. The case was prosecuted in federal court by Assistant United States Attorney SCOTT A. VERSEMAN.

#####