



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

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<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

**ATTORNEY SENTENCED TO PRISON FOR FAILURE TO REPORT
TO IRS OVER \$1 MILLION IN INCOME FROM SELLING
FRAUDULENT CERTIFICATES OF DEPOSIT**

Chicago, Illinois-- ROBERT WAYNE HALLOCK, 63, of Barrington, Illinois, was sentenced today by United States District Judge Matthew F. Kennelly on one count of tax evasion for attempting to hide from the government over \$1,000,000 obtained by selling fraudulent Certificates of Deposit (CDs).

United States Attorney David E. Nahmias said of the case, "Mr. Hallock's sentence demonstrates the seriousness of tax evasion and sends the message that willfully defrauding the IRS will have severe consequences, including jail time. Our tax system operates on the premise that everyone must pay their fair share. When anyone willfully evades their tax obligations all honest taxpayers suffer. It is particularly egregious when an attorney, with an obligation to follow the law, uses his position to earn the trust of investors when, in fact, he is keeping the proceeds for himself."

HALLOCK was sentenced to 2 years in prison to be followed by 2 years of supervised release. HALLOCK was convicted of these charges on October 25, 2006 and has been in custody since his conviction. HALLOCK was ordered to pay \$461,903 to the IRS in back taxes and costs of trial of \$12,241.83.

According to United States Attorney Nahmias and the information presented in court: In February 1997, HALLOCK, formerly a partner at Kirkland & Ellis LLP, sold three fraudulent CDs from which he received approximately \$1.8 million dollars. In an attempt to hide that income from the government, HALLOCK funneled it through a Florida bank account in the name of "Himmel & Grund, LLC" and hired an associate from Florida to use the funds from that bank account to purchase hundreds of thousands of dollars in cashier's checks that HALLOCK used to spend on personal expenditures. HALLOCK testified at trial as to the source of his income, however, the court found his explanation was "an after-the-fact construction or rationalization" which "met the needs of the moment without regard for its honesty." The expenditures included, among other things, luxury automobiles, jewelry, \$150,000 in checks to his girlfriend and her parents, and a \$100,000 honeymoon cruise among the Greek islands on a private yacht.

HALLOCK created Himmel & Grund in Key West, Florida in an attempt to hide his income. The false income tax return was filed in the Atlanta Service Center, and the case was investigated by agents of the Criminal Investigation Division of the Internal Revenue Service in Atlanta. The case was transferred to Chicago for trial.

Assistant United States Attorney Susan Coppedge and DOJ Trial Attorney Charles Pell prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.