



# Department of Justice

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## **ATTORNEY CONVICTED FOR FAILURE TO REPORT OVER \$1 MILLION FROM SELLING FRAUDULENT CERTIFICATES OF DEPOSIT**

CHICAGO, IL - A federal judge in Chicago convicted ROBERT WAYNE HALLOCK, 62, an attorney from Chicago, Illinois, today of tax evasion for attempting to hide from the government over \$1,000,000 obtained by selling three fraudulent Certificates of Deposits (CD's), the Justice Department and Internal Revenue Service (IRS) announced. HALLOCK did not appear as scheduled in court last week, and after a bench warrant was issued for his arrest, he made the appearance in court today to hear the verdict after a bench trial.

"People who hide their income and evade their federal tax obligations will be prosecuted and convicted," said Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division. "The Department of Justice and the Internal Revenue Service are working vigorously to defend the interests of honest taxpayers."

"Individuals who willfully evade their tax obligations hurt every law-abiding taxpayer who pays his or her fair share," said United States Attorney David E. Nahmias in Atlanta. "Hallock used the proceeds from the sale of fraudulent Certificates of Deposit to pay off creditors and go on a personal spending spree, including buying two Infiniti automobiles, a Ford F-150 pick-up truck, and \$114,777.50 of jewelry. This criminal conduct was particularly reprehensible because the defendant was an attorney with an obligation to uphold the law."

According to the indictment and evidence introduced at the bench trial: In February 1997, HALLOCK, formerly a partner at Kirkland & Ellis LLP, sold fraudulent CD's 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. The expenditures included, among other things, \$150,000 in checks to his girlfriend and her parents, and a \$100,000 honeymoon aboard a private yacht. In addition, HALLOCK opened additional bank accounts with the funds from the sale of the CD's and used those bank accounts to make

personal expenditures. According to evidence introduced at trial, HALLOCK evaded over \$400,000 in income tax for 1997. 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 prosecution of individuals who intentionally conceal income and evade taxes is a key element of the IRS Enforcement Strategy and signals our intention to assure confidence in our tax system,” stated Nancy Jardini, IRS Chief, Criminal Investigation. “Individual actions such as those of Mr. Hallock add to the nation’s tax gap, which is defined as the difference between what taxpayers owe and what they pay the government. Today’s conviction sends a strong message that the IRS is committed to closing that gap by enforcing the tax laws.”

HALLOCK faces a maximum sentence of five years in prison and a \$250,000 fine, together with the costs of prosecution. His sentencing is scheduled for February 15, 2007, at 1:30 p.m. before United States District Judge Matthew F. Kennelly.

Assistant Attorney General O’Connor and United States Attorney David Nahmias thanked Assistant United States Attorney Susan Coppedge and Tax Division Trial Attorney Charles E. Pell, who prosecuted the case. They also thanked the IRS Criminal Investigation special agents, whose assistance was essential to the successful investigation and prosecution of the case.

More information about the Justice Department’s efforts against income tax evaders can be found at <http://www.usdoj.gov/tax/taxpress2006.htm>. Information about the Justice Department’s Tax Division can be found at <http://www.usdoj.gov/tax>

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](http://www.usdoj.gov/usao/gan).